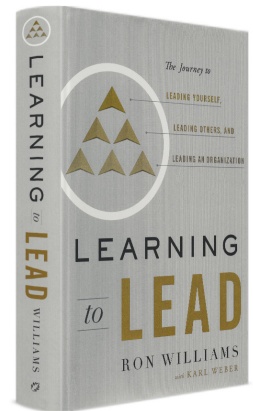


Learning to Lead

The Journey to Leading Yourself, Leading Others, and Leading an Organization

by **Ron Williams with Karl Weber**



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THE SUMMARY IN BRIEF

Society has a greater need than ever for talented, effective leaders. We live in a time when too many role models in the media represent styles of leadership that are far from ideal. Given the enormous social and economic challenges we face, organizations are desperate for people of every background who can formulate a compelling vision and inspire others to help make that vision a reality.

Developed from author Ron Williams's personal and professional journey, as well as experiences of America's leading CEOs, *Learning to Lead* is a master class on leadership, providing practical, tested leadership advice and strategies, whether you're searching for a new career; looking for proven management solutions, or seeking to transform your organization.

Learning to Lead will help you master a more creative, positive, and honorable way of leadership that will enable you to solve problems that appear unsolvable and to achieve levels of success you may never have previously imagined.

IN THIS SUMMARY, YOU WILL LEARN:

- Wisdom and strategies for leading yourself, teams, and organizations.
- The importance of reframing and asking the right questions.
- To define what's most important and plan intelligently.
- To create a positive company culture.
- To practice communication as a team sport.

PART I: LEADING YOURSELF

Find Your Challenge: Launching Your Career Quest

Some have called me the least likely person ever to lead a \$34 billion corporation. I grew up in the 1960s in a working-class family in one of the poorer neighborhoods of Chicago, then one of the most segregated cities in the nation.

The cultural, educational, and economic opportunities around me were sparse. But I inherited a strong work ethic from my mom and dad, and I was determined to make something of myself. After graduating from high school, I made my way to Southeast Community College of Chicago, then to Roosevelt University, where I majored in psychology.

After a brief stint working in the office of Illinois Governor Richard Ogilvie, I launched a business career—first as a consultant, then as an entrepreneur, and then as an executive at Control Data Corporation, Blue Cross of California, and WellPoint Health Networks. By the time one of America's biggest insurance companies was foundering, I'd established a reputation as a go-to guy—someone with a knack for making things happen in tough situations where others struggled.

Making Things Happen

I was recruited to help turn around Aetna in 2001. After a year as executive vice president, I was named president and a member of the board, and in 2006 I added the titles of CEO and chairman. Aetna had recorded an annual loss of \$292 million in 2001. However, by the time I stepped down in 2011—thanks to a tremendous amount of hard work and creative thinking by thousands of dedicated Aetna employees—that loss had been transformed into an annual profit of \$1.97 billion, and the company had become one of the most admired in the industry.

As even this brief summary shows, my background and experiences are definitely unusual for the head of a Fortune 100 company. But much more important are the philosophies, methods, and principles that helped me achieve success. I've tried to be both a dedicated student and a successful practitioner of the art of leadership.

Along the way, I learned lessons that have helped me succeed—and that, I suspect, many other people may find valuable. Here's the first lesson I'd like to emphasize: Growing into leadership begins with self-leadership—which starts

with discovering and nurturing the inner drive that will spur you to seemingly impossible achievements.

I've also learned that having an overwhelming personal passion that guides and shapes your life isn't essential to business success. Two things are essential: a deep, personal commitment to excellence in everything you do and a commitment to continual improvement.

Career Step One: Take a Chance!

Here are some specific suggestions to consider as you tackle some of the early career decisions that will shape your lifetime path:

Reject stereotypical thinking. Don't let other people define who you are, what you can become, or what you can accomplish. Feel free to disregard the familiar assumptions that define the characteristics of a business leader.

Take a calculated risk. Which is the better choice for a young person coming out of school—a job with a big, established company or one with a tiny startup? If both job assignments appear equally appealing, my counsel is to take the job that you perceive as carrying the bigger risk. That's probably the job where you'll face the greatest challenges—and therefore learn the most.

Keep your future options open. When making any career choice, think in terms of increasing the number of options you will have in the future. Ask yourself, "If I take this job, will I have more choices at the end of the day?"

Exceed your job description. Team members who never provide any extra value—who avoid special assignments, ignore opportunities to take on new challenges, and never offer ideas for improving the organization—are asking to be passed over when promotions are being considered and are not investing in improving their own value to current and future employers.

Redefine What's Possible: The Art of Reframing

Every worthwhile leadership journey encounters roadblocks and detours. Unfortunately, far too many people succumb to frustration and give up the quest prematurely. Often they blame themselves. Sometimes they blame a business world that seems to throw up barriers for leaders who don't fit the traditional mold, like women, people of color, or those with unusual educational and career histories.

When you learn and practice the art of reframing, you'll find that almost any situation. . . can be transformed into a growth opportunity.

In either case, they fail to recognize that most of the limitations we experience in business and in life are self-created and therefore capable of being overcome. The ways we think define the box in which we find ourselves.

Reframing is about creating a new mental landscape with a larger scope of freedom, a greater degree of flexibility, and a set of alternative ways of approaching any problem—which can often lead to new and unexpected solutions.

A New Face in the Mirror: Reframing as a Career Tool

Sometimes reframing is about seeing *yourself* in a new light. During my early years I didn't see myself as a potential business leader. I came from a minority-group heritage and an inner-city neighborhood; I didn't match up in an obvious way with the conventional image of a leader.

Thankfully, over the past 50 years, social changes driven by the civil rights movement, the women's movement, and the gay rights revolution have done much to broaden the way we think about leaders.

Moreover, studying organizational dynamics offered me an entirely new way to think about business leadership. A corporate manager or executive didn't have to be a charismatic member of the "boys' club" who led his colleagues using the power of personal charm, social status, or flamboyant oratory. He (or she) could also be an introvert, someone deeply analytical, with a scientific bent, a gift for accurate observation, a strong sense of logic, and patience and determination. Someone like me.

Open Up to New Perspectives: How to Make Reframing Second Nature

One effective way to improve your talent for reframing is to deliberately open yourself up to new perspectives. Don't talk only to people from inside your own organization or even from your own industry. Meet, swap ideas with, and learn from people who come from different walks of life and apply quite different perspectives to the challenges and opportunities of life.

Immersing yourself in business history can also be a great way of developing your reframing skills. Study how innovative business strategies have been created simply through an adroit reframing of conventional thinking about an industry. Many of the famous breakthroughs by leaders of the past were the products of such reframing.

In the 1980s and 1990s, Howard Schultz took a commodity sold cheaply, practically everywhere, and made it the basis for a high-margin, worldwide business—Starbucks—by reframing coffee as an affordable, everyday luxury and reframing the coffee shop as a neighborhood hangout where people can work, socialize, and hold meetings. He created an experience rather than a product.

When you learn and practice the art of reframing, you'll find that almost any situation, even one that may appear hopeless, can be transformed into a growth opportunity.

Start with Minor Miracles: The Tougher the Challenge, the Bigger the Opportunity

Most businesspeople don't want to go anywhere near a company or a division that's in trouble. They fear being overwhelmed by the challenges and perhaps being tainted with the label of "loser." Yet, troubled businesses offer great opportunities for learning and growth, particularly to aspiring leaders who may not otherwise have a ticket to the fast track.

When you're willing to take on the tasks others shun, doors begin to open for you. Those at the top of the corporate hierarchy are likely to give you responsibilities and opportunities far greater than those you might otherwise enjoy. That's how many leaders—especially those from atypical backgrounds—get the chance to build a reputation as someone who gets things done, even when the company finances look dire, competitive pressures are intense, and employee morale is at its lowest.

Elise Wright worked with me at Aetna as senior vice president of human resources. Years earlier, she'd been a

rising star in the HR department when she dared to take on an incredibly challenging systems reengineering project that her boss warned her might be a career killer.

“I got sympathy cards, because everyone thought I’d been demoted,” Wright recalls. “I lost my office, got stuck in a temporary cubicle, and had to beg for an assistant. But through hard work and by picking the brains of everyone in the organization with a creative idea, I made the project work. It ended up being one of my most powerful learning experiences as well as a stepping-stone to quicker career advancement.”

Actually, Wright’s willingness to take on a reengineering job that no one else would tackle was characteristic of her personality. Years earlier, upon graduating from the University of Connecticut, she began her job search in the middle of a serious recession—not exactly ideal timing. She ended up becoming one of the first women to work in an all-male maximum security prison, serving on the psychiatric staff as an inmate intake specialist.

Her job involved giving the new prisoners a psychological assessment and determining where to place them within the system. “When your first job is that challenging and depressing,” Wright now says with a laugh, “you have no place to go but up.”

Suffering isn’t worthwhile in itself. Not every tough job is guaranteed to be a great learning opportunity. But many are. If the first few days or months of an assignment feel exhausting, overwhelming, or even painful, don’t jump ship. Hang in there. There’s a good chance that one day you’ll look back on that job as the most difficult yet worthwhile growth experience you ever had.

PART II: LEADING OTHERS

‘It Can’t Be Done’: Meeting the Toughest Leadership Challenge

There are plenty of obstacles to achievement in many organizations today. They include complacency, lack of clear goals, flawed assumptions, poor communication, inconsistent incentives, dysfunctional teams, and many others. One of the worst is sheer blindness—the systemic failure to accurately define the real challenges confronting the organization and the steps needed to meet them. That’s the biggest problem I faced when I came to Aetna early in 2001.

I was recruited to join Aetna to help participate in a

much-needed company turnaround. Like most executives joining a new team, I devoted my first few weeks on the job to getting the lay of the land—meeting key people, acquiring a sense of the corporate culture, studying the strategic position of the company, and asking managers from throughout the firm to share their perspectives on Aetna’s strengths, weaknesses, challenges, and opportunities.

After that first month, it had become clear to me that the organization had tons of data but a severe shortage of timely information. Numbers? We had them aplenty. But they flowed across our desks too late, organized in ways that shed little light on the critical issues we faced and the choices we needed to make. We were like pilots flying in a dense fog, relying on instruments with a built-in lag in reaction time.

Transforming the Way We Think

So one of the first projects I undertook in my tenure at Aetna was to spearhead the creation of a new management information system that could enable us to—finally—get a grip on the problems the company faced. You might assume this would be a purely technical challenge—a task we could delegate to a few of our top finance, actuarial, and IT experts.

But the problem turned out to be much bigger and much tougher than that. It involved not only technical specifications and software design but deeply ingrained perceptions, attitudes, and relationships shaped by years of dysfunctional behavior at every level of the corporation. Fixing the system required hacking away at the roots of that dysfunction, including the sense of frustration, fear, anger, and helplessness that had gradually permeated Aetna, leaving thousands of bright, talented people sincerely convinced that our problems were simply too overwhelming to solve.

A technical problem? Sure. But it was also a matter of transforming the way we thought. The creation of what came to be called our executive management information system (EMIS) proved to be a turning point in the history of Aetna and in the lives of many of us who participated in it. It was an opportunity for me to apply some of the most important leadership tools I’d learned and honed throughout my career—and to begin spreading the use of those tools throughout the organization.

Together, my leadership team at Aetna discovered the effectiveness of asking questions that challenged deeply ingrained assumptions, the transformative power of fact-based decision making to inspire a vision of shockingly greater achievement, and the enormous value of investing

time and effort in rigorous planning before tackling any crucial project.

Building our new information system didn't only revolutionize our ability to run the corporation effectively and profitably—though it did that, in spades. It also taught us that there was almost nothing we couldn't accomplish by applying some clear thinking, tough-minded and open communication, a lot of hard work, and a bit of creativity. It's a lesson confirmed by the years of turnaround, rejuvenation, and growth that followed the crisis—and one that I'm convinced can be applied with equal success in almost any organization.

Sometimes the most effective leader is one who knows what he doesn't know. . .

Changing the Problem Changes the Solution: Reframing for Business Leaders

In business and in life, the questions you ask invariably determine the value of the answers you get. Aetna executives had gotten into the habit of asking themselves, "How much have we grown this year?" Since the answer was always "a lot," they assumed that the company's overall state was healthy.

Beyond the "how much have we grown" question, Aetna's leaders should have also been asking, "Do we have a sustainable business model that is adapting to changes in the economic environment? Do we have the information, people, processes, and technologies needed to integrate the companies we've acquired? Are we maintaining good relations with our key stakeholders, and are we making sure that our company's reputation for integrity and service is being protected?"

Because of the failure to ask this broader array of important questions, the magic that Aetna's leaders were counting on failed to materialize. Financial losses continued to mount. Making matters worse, Aetna's failure to success-

fully integrate and operate the acquired companies led to a crisis of stakeholder relations. The overall poor leadership in the 1990's culminated in a series of costly lawsuits, judgments and settlements with patients and providers.

Working with CEO Jack Rowe, I helped Aetna's managers to begin focusing on our patients, customers, and questions about our business model, information, people, and technology.

In operating reviews, we started asking our executives, "How much money has this division made this year? And this one—and this one—and this one?" The answers would help the company determine which businesses to keep and grow and which to sell off. One by one, we identified the businesses that made no sense for Aetna to retain.

The philosophy Aetna applied in making these winnowing decisions recalls a famous dictum of General Electric's legendary longtime CEO Jack Welch—"If you're not number one or number two in a particular market, get out." It worked for GE, and it worked for Aetna, too. Over time, the company gradually divested businesses with a total of some eight million customers. Those customers didn't join the ranks of the uninsured; their policies were taken over by competing insurers in their specific markets.

The Search for Truth: Asking Questions that Open Minds

We sometimes assume that the leader in a group is the person who knows the most. It's not always true! Sometimes the most effective leader is one who knows what he doesn't know—and uses well-crafted questions to uncover hidden realities that make innovations possible.

In crafting an inspiring vision of change, a leader is likely to encounter barriers of many kinds—in particular, mental barriers—those unquestioned assumptions, unexplored options, or unchallenged rules of thumb that keep people stuck at a low level of achievement. Thus, an essential skill for anyone who wants to do the impossible is the ability to ask questions that expose and remove those mental obstacles.

The challenge is to frame questions that can provoke people into thinking about the problems they face in a new way—questions that guide people toward recognizing and reexamining the mental barriers that are holding them back—and to ask these questions in a style that doesn't elicit defensiveness, resistance, or fear. Here are some suggestions for positive, constructive questioning that you may find effective.

Avoid starting questions with the word “why.” It’s often important to get at the underlying reasons for people’s behavior. Yet somehow that innocent word “why” has a way of sounding like an accusation. The question “Why did you do X?” seems to inevitably convey the implication that X was a stupid thing to do. I’ve found that I can elicit a less defensive, more forthcoming response to the same fundamental question by using a phrase like “what is the reason”—for example, “What is the reason you tackled the problem that way?” This wording assumes that there was a reason for the person’s behavior and encourages them to share freely . . . and that’s far more likely to enable you both to get to the heart of the problem more quickly.

Don’t ask questions for which you think you already know the answer. The goal of asking questions is to garner information and to inspire creative thinking—not to quiz people, put them on the spot, or trap them.

Actively listen to the answers people give you. Don’t be dismissive or scornful of the answers, even if you consider them misguided. Even answers that are factually incorrect are valuable in that they give you greater insight into the way a team member thinks and feels—and if one person thinks and feels that way, the chances are good that others do, too. Use “wrong” answers as an opportunity to introduce alternative ideas.

Ask follow-up questions. In many cases, the answer to one question merely points in the direction of the truth without delving deeply into it. One, two, or several follow-up questions may be needed to elicit a full picture of what is happening, and to open up the possibility of change.

Define What’s Really Important—Then Make It Happen

One of the most crucial tasks of the leader is to help her team members set priorities and stay focused on the tasks that are most important. It sounds simple—but, in practice, it’s quite difficult to do.

When you are receiving a steady bombardment of bad news—negative financial reports, customer or client complaints, key employee defections—it’s easy to start responding in knee-jerk fashion to the latest bulletin rather than taking the time to sort out what’s truly important from the merely urgent. Here are some questions you can ask that can help you determine whether an issue is truly important or simply eye-catching:

- **Financial impact:** If this issue were left unaddressed, how could it affect the finances of our organization over the next week? Over the next month? Over the next six months? Over the next five years?
- **Stakeholder impact:** How directly and significantly is this issue likely to affect our organization’s key stakeholders, including customers, employees, investors, suppliers, business partners, and community members?
- **Future scope:** How probable is it that this issue will become more serious or widespread? How quickly is this likely to happen?
- **Reputational impact:** What is the likely impact of this issue on the reputation of our organization?
- **Underlying cause:** How likely is it that this issue is caused by underlying problems that are not yet presenting themselves directly? Is addressing this issue likely to help us uncover and begin to deal with those underlying problems?
- **Degree of uncertainty:** What is the degree of uncertainty regarding our knowledge of this issue? How confident are we that we understand the nature and the scope of the issue?

The answers to these questions can help you gauge the real importance of the issue before you.

The Neglected Art of Smart Project Planning

Some leaders routinely respond to important problems by asking team members to perform heroic feats of exhausting, frantic work. Occasionally, there’s no way to avoid such drastic measures. But they can exact a high price in terms of focus and morale—particularly when they are made necessary by mismanagement or poor planning, or when they become habitual rather than rare. It’s far better if you can avoid crisis mode through smart, deliberate planning.

Smart planning requires paying attention to the process rather than rushing through it. When scheduling a complex project, you should start by breaking it down into its component parts. List them in the order in which they need to be done. The parts of the project now become steps in a process that you and your colleagues will be carrying out.

You then should list the resources your team needs to perform each step. Be sure to note which resources will require help from other people or organizations. For each step, you should estimate the time required, taking into account other demands on the people involved. If several steps appear to

The collaborative process of exploring, defining, and implementing a set of ethical standards and values for Aetna eventually became codified in the ‘Aetna Way.’

be especially lengthy, look for ways to streamline them.

Finally, you should define the results to be achieved in each step as clearly and specifically as possible, along with communication methods to be used to keep the whole team informed about what is happening.

PART III: LEADING AN ORGANIZATION

What Only the CEO Can Do: Creating a Positive Company Culture

When I joined Aetna, one of my most important tasks was to help reposition the company from being viewed as “one of those self-serving, greedy health insurance companies” into one that insiders and outsiders alike could regard as a progressive organization helping to lead America toward a more humane, efficient, and inclusive health-care system.

Before I joined Aetna, company leadership had tried a very different approach to employee motivation. The first line of the mission statement was something like “We will deliver a financial return of X percent to our shareholders.” Of course, shareholders are important and so are financial returns. But this was the wrong message to send to employees.

Highlighting financial results in the first line of the mission statement said to everyone at Aetna, “It’s all about the shareholders.” It implicitly put everyone else—clients, customers, health-care providers, patients, even employees themselves—on a lower level.

The symbolism of that mission statement helps to explain the poor state of employee morale at Aetna during that period. It also explains some of the strategic mistakes the company was making at the time.

For example, when Aetna went on its acquisition binge, buying smaller insurance companies without thinking about how they would fit into the business or how they could be integrated culturally, it was being driven above all by the need to produce a high financial return for the shareholders.

I started by taking steps to figure out the underlying causes of the problem. Simply talking to as many Aetna team members as we could was part of the process. We also conducted a single annual survey that was thoughtfully designed and administered to yield meaningful results. We used employee town halls and other gatherings as venues to discuss some of the questions, complaints, and comments we encountered during the survey process.

Distilling the Aetna Way

We took our employees’ concerns seriously. We started by addressing the financial and strategic issues that had led many workers to question the soundness of the company’s management and the strength of its culture. On the ethical front, we responded by meeting with the people who were concerned and addressing their questions directly.

The collaborative process of exploring, defining, and implementing a set of ethical standards and values for Aetna eventually became codified in the “Aetna Way.” This was a written document that spelled out the guiding principles behind our company’s strategies and the decisions we made on a daily basis.

It placed customers at the center and identified four core values that we strove to embody in all our actions: integrity, quality service and value, excellence and accountability, and engaged employees.

The Aetna Way proved to be a powerful tool for leading the company toward a values-driven future.

Making Connections: Communication as a Team Sport

When you need to turn around a troubled organization or guide one through a complex change process, you need to engage the support of a critical mass of team members.

You don’t necessarily need to capture the hearts and minds of 100 percent of your people, although of course you’ll want to get as close to that goal as possible. But if you can

get a solid 10 percent of opinion leaders firmly in your corner, you can begin to make progress. Your first cadre of supporters will help spread your message through their daily words and actions. And over time, as signs of progress begin to appear, the remainder will gradually follow.

The first challenge for any leader in stressful times is to win over that critical 10 percent. That requires working hard to get your message clear in your mind and to communicate it as accurately and compellingly as possible. Fortunately, you shouldn't have to manage the messaging process completely on your own.

Identify a colleague or friend who can give you frank, specific, intelligent advice about how your messaging efforts are coming across. Practicing your speech in front of an advisor of this kind can help you lift your performance from the B-minus level to an A or even A-plus.

Multi-channel communication and feedback. When you have a message that everyone in your organization must understand, try to communicate it through every possible means—and keep repeating the message, even past the point when you are certain that everyone has been exposed to it.

Creating a common language. Another valuable communication skill for any organization leader is to establish shared definitions for important terms, ideas, and concepts. When these are missing, everyone in the organization is speaking a different language, with the most common result being that they start talking louder and louder—like tourists in a foreign country—trying to make themselves understood. True understanding is often a casualty.

Making human connections. You'll find you can do a much better job of motivating people if they feel they know

you and sense that you truly care about them, their needs, and their concerns. One way I tried to do this at Aetna, with the help of my communications team, was through "Ask Ron," a question-and-answer column that appeared on Aetna's intranet every two to three weeks. We invited employees to send in their questions, ideas, or concerns, and for each column I would receive 20 to 25 letters on average.

Ordinary people—people like you and me—can achieve great things if they learn how to recognize and understand the barriers that limit them and then start overcoming them, deliberately, creatively, and persistently.

Your own abilities can suffice to make you an effective leader—provided you focus on the daily challenges around you and then work doggedly, thoughtfully, and positively with the people around you to overcome them.

If you do this, you'll be surprised and delighted to find that barriers you once assumed were insurmountable are beginning to fall, enabling you to achieve goals that once appeared unreachable.

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- *From Bud to Boss: Secrets to a Successful Transition to Remarkable Leadership* by Kevin Eikenberry, Guy Harris
- *The 5 Levels of Leadership: Proven Steps to Maximize Your Potential* by John C. Maxwell



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