

# LEADERSHIP Excellence

Warren Bennis



THE MAGAZINE OF LEADERSHIP DEVELOPMENT, MANAGERIAL EFFECTIVENESS, AND ORGANIZATIONAL PRODUCTIVITY

JUNE 2011

Clayton Christensen  
Consultant

**Earn More  
Respect**

**Systemic  
Innovation**

**Achieving  
Growth**

**Changing the Game**



"Leadership Excellence is an exceptional way to learn and then apply the best and latest ideas in the field of leadership."

—WARREN BENNIS, AUTHOR AND USC PROFESSOR OF MANAGEMENT

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## Beyond Negotiation



*The time for talking is over. It's now time for immediate, innovative and incisive action, as evident in the gestures and facial expressions—the warriors' clear response to the last proposal.*

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# On Bricks and Pipelines

Leaders roam from the concrete to the conceptual.



by Ken Shelton

I ATTENDED A MEETING RECENTLY with group of company executives. One man had just been appointed to a key leadership position by the CEO. I asked this man how he had arrived at this position. He remarked, "For 15 years, I was a brick mason. I owned my own company, worked hard, employed and trained other people, but never had much—in terms of net profit—to show for my efforts.

"During this time, I had always been a best friend of the CEO; when he started his company six years ago, I felt the need to join him and be loyal to him. Thus began a grand adventure as a coach, counselor, trainer, salesman, networker, distributor—whatever needed to be done. I earned his respect and trust."

I commented that he had progressed in the pipeline through his hands-on, action orientation from brick mason to management maven to leader of people and projects.

*Notwithstanding the many formal leadership development programs, such is the happenstance path—the red brick road less traveled—of many eventual leaders.*

I noted with interest that HR and TM execs are giving mixed grades to the quality of their leadership pipelines, according to a survey by *Right Management*, the talent and career management expert within ManpowerGroup. The RM survey finds gaps in the leadership teams at most companies. In fact, only 6 percent of organizations have future leaders identified for all critical roles, 17 percent for most roles, 55 percent for some critical roles, and 22 percent for no critical roles.

"Organizations are all over the map when it comes to implementing a coherent leadership development program," says Michael Haid, RM's SVP for TM. "Most have some critical roles covered, but fewer than one in five has no one slated to take over any key positions! The need for succession planning is evident, but actual succession management strategies and implementation plans lag behind.

"Leaders realize that SM is essential for sustained performance, as talent is one of the only competitive differentiators left," says Haid. "Having a depth of leadership talent and a genuine plan for all eventualities are vital. In fact, weak bench strength can erode employee engagement and reduce

performance. Managing succession insures continuity and retention of high-value talent."

Contact: Shari Fryer, shari@fryerassociates.com

Another study by the *Institute for Professional Excellence in Coaching* (iPEC) focuses on ways to improve satisfaction and engagement (since 84 percent of employees say they plan to look for new jobs this year). Zack Lemelle, Managing Partner, Corporate Engagement Services, seeks to learn how leaders can keep employees engaged—and keep them from searching. "Employee engagement is directly connected to leadership engagement. Leaders must be prepared, and supported, to fully engage in all aspects of their position—in driving bottom-line results, and in building powerful, dynamic teams and a supportive culture," he says.



Howard Stevens

The iPEC study also confirms that engagement is correlated to energetic makeup and suggests that shifting that makeup boosts engagement. Participants take the *Energy Leadership Index* (ELI) assessment (measures how a person perceives and approaches work and life and reacts to circumstances and experiences and produces a numerical value or

E-Factor). Participants also rate themselves on 14 key psycho-metrics of their work and life satisfaction. The results reveal that the higher people's E-Factor, the greater their life/work satisfaction. "Even a small change in the E-factor could save thousands of jobs and create billions of dollars in profit," said Lemelle (visit [www.iPECcoaching.com](http://www.iPECcoaching.com)).

Yet another study in the Global Leadership Research Project conducted by Howard Stevens, CEO of *Chally Group*, proves that effective leadership development can advance both organizational effectiveness and financial performance. This study aims to identify the most important factors that influence effective LD; the competencies and experience needed in different types of leadership roles; how to recognize and groom internal candidates best suited for leadership succession; and the leadership competencies necessary to operate in a multi-national business environment ([www.chally.com](http://www.chally.com)).

The final tally in the Chally, iPEC, and RM studies suggests that current leaders need to become hands-on leadership and energy developers, moving successors along a brick road or pipeline of their own making. LE

*Ken Shelton*  
Editor since 1984

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# Systemic Innovation

*It delivers competitive advantage.*



by Gary Hamel, George Chen,  
and Ian Pallister

**M**ANAGEMENT INNOVATION DELIVERS a strong competitive advantage, even a long-lasting advantage when: it's based on a novel principle that challenges the orthodoxy; it is systemic, involving a range of processes and methods; or it's part of a program of invention, where progress compounds over time.

And yet few companies have a systemic way to foster management innovation. One challenge seems to be generating unique ideas. Four components can help: a big problem that demands fresh, creative thinking; principles or paradigms that can reveal new approaches; an evaluation of the conventions that constrain novel thinking; and examples and analogies that help redefine what can be done.

To identify management processes that exacerbate the big problems you hope to solve, ask: *Who owns the process? What are its objectives? What are the metrics for success, the decision-making criteria? How are decisions communicated, and to whom?* After documenting these details, ask the people involved to weigh in. This reveals ways to reinvent your management processes.

Once, management processes and business models were immortal. Companies always had to work to get better, but they seldom had to get different—not at their core. Today, getting different is imperative. Success no longer hinges on momentum. Rather, it rides on strategic resilience—dynamically reinventing models and strategies as needed.

Strategic resilience is not about responding to a crisis or recovering from setback. It's about anticipating and adjusting to trends that might impair the earning power of the core business. To achieve resilience, you need to eliminate denial, nostalgia, and arrogance; learn to create small tactical experiments; reallocate financial and human resources to earn the best returns; and see strategic renewal as vital.

## Innovative Systems

Examples abound of creative executives boldly leading their companies into uncharted territory. But when an innovative leader leaves, the enterprise ability to innovate comes into question. Can companies achieve breakthrough innovation and growth without a visionary leader? Yes, if innovation is embedded into the DNA, you can repeatedly bring game-changing products and services to market.

A systematic approach to innovation is more sustainable. The actions of innovative leaders are often instinctive and reflexive; hence, they're hard to replicate. However, if you look at the rationale and effects of their actions, you can design aligned processes, incentives, and systems to deliver similar outcomes. Visionary leaders often create disruptive innovation by re-directing the benefits delivered by their



products to address consumer needs previously undetected by incumbents.

To systematically capture the prolific innovator's approach, and weave it into the fabric of the firm, take three actions:

1) empathize with customers to sense unarticulated or unmet needs and create products and services to address them; 2) challenge industry orthodoxies by taking an unconventional approach in re-directing benefits toward unmet needs; and 3) transfer the leader's passion, conviction and persistence to overcome resistance to disruptive innovation. Since introducing innovative products is often met with backlash from internal and external stakeholders who benefit from the status quo, visionary leaders enlist their charismatic personalities and contagious passion to realize disruptive innovations and to create a culture of passion and innovation that can translate into sustainable results.

Some leaders command through personal wisdom; others foster and guide

the collective genius. Some leaders impose their will, sense of aesthetics, and values on their teams; other leaders cultivate a culture of innovation through a coherent system of processes, incentives, leadership development programs, and supporting infrastructure, and they lead by empowering people to observe, reflect, and make decisions. Every path to innovation is a unique journey of learning and discovery. The goal is not to mimic actions of the visionary leader, but to embrace key principles of innovation, put them to work, and learn and adapt. The insights you glean along the way will be unique to you.

## Myths of Innovation

Your organization is likely abuzz with the rhetoric of innovation, but you may suffer from a massive rhetoric-reality gap. Does the reality of what is happening to drive innovative growth match the well-parsed rhetoric? If not, you are likely blinded by one or more of the seven deadly myths of innovation.

**Myth 1: Innovation can't be taught.** Few of us were born to think and boldly act like Richard Branson, Steve Jobs or Howard Schultz. But becoming more innovative isn't a search for natural innovators and pinning your hopes on them—it's about leaders proactively building new skills and perspectives, identifying and challenging industry orthodoxies, extracting the unmet and unarticulated customer needs, envisioning industry and market discontinuous changes, understanding the company's core competences, conducting structured idea generation, performing disciplined concept elaboration, and defining low-cost learning experiments. Skills alone can't change behaviors. To inspire people to act more innovatively, you need to create the right system of leadership, culture, structure, incentives, and processes that embolden experimentation and motivate people to achieve new results. Make innovation a key element in performance evaluation.

**Myth 2: breakthrough innovation occurs only through a stroke of genius from a visionary leader.** You may think that all big bold breakthroughs come through a moment of brilliance from a visionary and visible leader. While there are many stories of corporate heroes inventing revolutionary products and of eureka moments where a brilliant idea suddenly emerges, successful innovators take a systematic perspective around creating an innovative culture, including installing motivating leaders and enabling all employees to contribute. The key is to manage the

divergence and convergence cycle and know where you are at all times. Seek new perspectives and create a broad set of options, and converge on the most attractive one, and act on them.

**Myth 3: Innovation is solely the job of R&D.** Business unit leaders, not R&D, should own innovation. Embed *accountability for innovation* into the heart of the business. Cascade innovation goals, involve specialists in your teams, manage across the innovation lifecycle from stimulus and insight to market launch, and seek to source technologies from outside, not necessarily from R&D.

**Myth 4: Innovation is risky.** Being *innovative* is not about having perfect foresight in where the market is headed and getting there first. It's about creatively reducing uncertainty through rapid experimentation. When you break down the decision into a set of incremental investments, you can learn your way into the new space, reducing risk.

**Myth 5: Innovation is about commercializing cutting-edge technologies.** While successful innovators are often associated with exciting products and technologies that provide a fantastic user experience, their successes often come from *redefining the business model* to drive competitive advantage.

**Myth 6: Innovation is expensive.** The *high cost* concern rests on two mistakes: *wrong question* and *wrong answer*. The *wrong question* is caused by not breaking down the investment decision into a set of *learning experiments* and not having enough concepts flowing through the pipeline. So, you throw *much money* after *few opportunities*. When you don't know how to measure innovation outcomes, any expenditure appears high.

**Myth 7: Innovation is disruptive and dilutes focus.** Yes, the outcome of great innovation can be *disruptive*, but that's likely a good thing. And it should not dilute or distract the focus. All companies have a *core business* that they try to protect and grow. *Great companies seek to grow and innovate that core while looking for breakthroughs in targeted parts of their portfolio.* They carefully consider and set targets for innovation-led growth—65 percent of growth will come from incremental innovation, 25 percent from developing new platforms, and 10 percent from big, bold innovations. With clear targets in mind, you can set budgets, form teams, and drive *breakthrough innovation*.

Few leaders innovate well because they fall prey to *the myths of innovation*. LE

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**ACTION: Practice systemic innovation.**

## Achieving Growth

*Innovate the business model.*



by Clayton Christensen

LEADERS SELDOM PULL off the new growth that business model innovation can bring for two reasons: first, they don't understand their current business model well enough to know if it would suit a new opportunity or hinder it; and second, they don't know how to build a new model when they need it. To capture game-changing opportunities, they need to do both.

**Great companies operate according to a business model that has three key elements:** 1) a *customer value proposition* that fulfills an important job for the customer in a better way than competitors; 2) a *profit formula* that lays out how the company makes money delivering the value proposition; and 3) the *key resources* and *key processes* needed to deliver that proposition.

**Game-changing opportunities deliver radically new customer value propositions in three ways:** 1) they fulfill a job to be done in a dramatically better way; 2) they solve a problem that has never been solved before; or 3) they serve an unaddressed customer base.

Changing the game doesn't always require a new business model, but a new model is needed to *leverage a new technology*; to *address an entirely new group of customers*; and to *fend off a successful disruptor*.

In *disruptive innovation*, a product or service takes root initially in simple applications at the bottom of a market and then relentlessly moves *up market*, eventually displacing established competitors. An innovation that is *disruptive* allows a new population of consumers access to a product or service that was once only accessible to consumers with a lot of money or a lot of skill.

**In initial stages, disruptive enterprises tend to have three characteristics:** lower gross margins, smaller target markets, and simpler products and services that don't appear as attractive as existing solutions (compared against traditional performance metrics).

Since companies tend to innovate faster than their customers' lives change,

they produce products or services that are too good, too expensive, and too inconvenient for many customers. By only pursuing *sustaining innovations* that perpetuate what has helped them succeed, companies unwittingly open the door to *disruptive innovations*.

**Examples of disruptive innovation include:** Cellular phones disrupted fixed-line telephony; community colleges disrupted four-year colleges; discount retailers disrupted full-service department stores; and retail medical clinics disrupted doctor's offices.

**New capabilities must be developed when you face rapid or disruptive change.** Though most innovation challenges are sustaining in nature, some are *disruptive*—and successfully addressing those will require different skills, approaches, and strategies. You need to distinguish between *sustaining* and *disruptive* challenges, and adapt strategy to your needs in both areas.

**Innovation need not be a gamble**—having the *right business model* can lead you to *more predictable results*. By using a robust decision-making framework and well-grounded theories about your circumstances, you can take action

more readily in *promising yet poorly understood* markets and more precisely target your innovation efforts.

**Growth is near the top of most leaders' agendas**, and leaders can improve the odds of creating *sustainable growth* by developing *strategies based on disruption*. There are three basic strategies for new

growth: a *sustaining* strategy, a *low-end disruptive* strategy, or a *new-market disruptive* strategy. Learn what works for you. Even companies that have their competitive antennae up, listen to their customers, and invest aggressively in new technologies can still lose market dominance.

Manage your innovation efforts in the context of disruptive competition. Encourage people to work together toward a new goal, using tools that work in your situation. **Cooperation tools fall into four categories:** *power*, *management*, *leadership*, and *culture*. To choose the *right tool*, assess the extent to which people agree on *what they want* and *how to get what they want*. When people disagree on both dimensions, use *power* tools. When they agree on what they want but not on how to get it, use *leadership* tools. LE

Clayton Christensen is the author of *Disrupting Class* and *The Innovator's Prescription*. Visit [www.immosight.com](http://www.immosight.com).

**ACTION: Improve your business model.**



# Earn More Respect

*Without it, you won't lead people.*



by Warren Bennis

I STILL TEACH A CLASS AT USC, the Art and Adventure of Leadership, and work hard to make the course a rich, active experience. My students don't just *study leadership*; they *become leaders* in their own right. In addition to what they learn in the classroom, they form small groups and collaboratively conceive and carry out *leadership projects*. These must involve others, and they must produce something enduring.

In class, I play Aretha Franklin's hit song *Respect*. While the students sway to the rhythm, I underscore the importance of this attribute in leadership. In the face of daunting economic and social problems, I have faith that these young people will rise to the leadership challenge in surprising ways. I consider these students part of the *crucible generation*, and find that they long to grant and be granted respect.

To respect someone is to pay attention, to view somebody, to really see that person. When you think about leadership in the global environment, you need respect—not just tolerance. A leader must also know the territory. I call it *contextual intelligence*. Many ordinary leaders do extraordinary things because they get to know the territory, and it informs their actions.

The ability to change how others think begins with a leader's own manifest willingness to challenge himself, to try out new ideas, and, indeed, to *recreate* himself. This is the genesis of my beliefs that *great leaders are not born but made* and that leaders are people who do the right things, while managers are people who do things right.

The era of the *Great Man* leader, around whom troops rally, has ended and has been replaced by leadership teams. Leaders either support *transparency* and a *culture of candor* or they fail. We need to rattle a complacent generation of executives by illuminating the slippery slope to failed leadership. We are at least half-way through the looking glass, on our way to utter chaos. When the model of a modern manager becomes CEO, he does not become a leader, he becomes a boss—

the type who gets us into trouble.

I keep seeking answers to questions I've asked for 60 years: *What makes a leader effective? Why do so many of them fail? And what qualities will leaders need in the future?* I teach in classrooms, but my laboratory is the real world of organizations—corporate, governmental and academic—experiencing traumatic change. Theory sheds no blood. When you fail in the real world, the pain is palpable and often widespread.

To control the damage, leaders need to engage in the military practice of *debriefing*—taking the time after a battle to reflect on what happened, what went wrong and why, and what lessons can be learned. When you're moving at a rapid pace, how do you find interludes to learn where you are going and what you are doing? Rare is an organization that gets its executive team together to analyze why something went wrong or



something went right. But it's all part of knowing how and when to duck.

*Organizations will not change unless the leaders want to change.* Routine work drives out non-routine work and smothers all creative planning, all real change.

The flattened organization, the demise of the Great Leader, and the powerful forces of globalization have produced a *leadership vacuum*. This vacuum reveals that even the best business schools have *not* taught some vital core aspects of leadership very well.

Hence, history is giving this *next generation*, the *crucible generation*, as it did my *greatest generation*, a *grand crucible challenge*. Young leaders today have been summoned to this rigorous role through *the collective failures* of us, their elders.

I want to be known as *generous company* and *just connect* with people and *make them feel important*. I try to focus on the future without being encumbered by my past. I welcome new insights, knowing that the qualities of leadership

that matter most in the next decade will differ from those required in the past. At age 86, I've never experienced a world with so many unknowns, so many issues, possibilities and options. This is why *judgment* will always be the nucleus of exemplary leadership.

When I consult with CEOs, I don't try to *tell them* anything, but I do ask a few questions: *What is your top priority right now? Are you showing the steel that is in you in the pursuit of this priority?* The natural tendency of many leaders is to unite people, but they also need to lay down clear performance parameters—and have *penalties for non-performance*.

People don't need to know their leader personally as long as they feel that he knows them. The ability to make people feel known and to soothe their fears, exemplified by President Franklin Roosevelt's fireside chats during WWII, is a powerful tool. A great leader speaks in a way that makes people think, *he understands us*.

The chaotic swirl of current events is a *global arrhythmia*, and young leaders are experiencing an exciting, scary, adventurous, unprecedented period of unknowns and possibilities. *Every day is a surprise*, which is why *adaptive capacity* and *openness* are as much a part of the leader's repertoire as doubt and uncertainty. The legitimacy of doubt, of not knowing but wanting to discover all you can about what you need to know, is what *great leaders* must now embrace.

When I look back from the vantage point of my ninth decade, I see the shape of my life, the *arc* of it. From an early age, I dreamed of a life different from the hard, ordinary existence of my parents and brothers. It was only by leaving the world I was born into that I could invent a life that suited me.

We often think of *leadership* as *something innate* that only a few rare and gifted individuals are born with. But *leadership* is often a function, not of your personality or psychological makeup, but of *the role* you are in. Some qualities wait for life to pull them out of you. *Role shapes the development of most leaders*. Before being appointed leaders, we may show *no evidence* of qualities required of a leader. But when thrust into the role, we find the inner resources necessary to fulfill that most demanding role. We then begin to *act like a leader*. Leadership is a performance art, and most of us become leaders only when we are cast in the role. LE

Warren Bennis is professor of leadership at USC and author of *Still Surprised, A Memoir of a Life in Leadership* (Wiley/Jossey-Bass). Visit [www.WarrenBennis.com](http://www.WarrenBennis.com).

**ACTION:** *Earn respect in your role as leader.*

# Speak Truth to Power

*Silence is not as golden as candor.*



by Barbara Kaufman

THE TERM *speaking truth to power* started with the American Friends Service Committee's 1955 publication *Speak Truth to Power: A Quaker Search for an Alternative to Violence*. Focused on the question of what stance to take with those in power in the face of evil, the booklet sought a nonviolent way to deal with inevitable conflict and a "way to meet that which threatens us, without relying on our ability to cause pain."

Beyond its moral and political relevance, *speaking truth to power* is highly applicable to operations. During layoffs, people tend to *maintain the status quo*, keep their heads down and mouths shut to avoid being shot as a bearer of bad news or to avoid offending bosses or colleagues with an assertive point of view about an alternative solution. Sadly, the reluctance to *speak truth to power* deprives executives of vital information and innovative ideas they need to make sound strategic choices.

In their book *Transparency*, Bennis, Goleman, O'Toole and Biederman discuss the responsibilities of messengers. They argue that when one reports to an emperor, the temptation is to *avoid bearing bad news*. "Good news and bad news need to travel at the same speed. Unfortunately, bad news tends to travel at the speed of a turtle," says **Denise Morrison**, EVP and COO of Campbell Soup Co. Worse, leaders often reward flatterers and those who appeal to their vanity. So, people *suck up* rather than contribute ideas. Innovation is stifled when the best concepts go unspoken.

**Unwritten norms** may also *inhibit speaking truth to power*. These include preconceived notions about position power or the faulty assumption that a leader knows all the answers, has a crystal ball, and has thought of everything. Gatekeepers often view their role as *protecting leaders* from bad news, while some leaders value collegiality and teamwork so highly that disagreement or bad news are suppressed.

The consequences of not *speaking truth to power* are serious: Issues and alternatives are not fully examined;

projects fail, strategies can't be effectively implemented; status quo prevails; the enterprise loses its competitive edge; people don't stretch beyond current thinking; they can't test their experience or hone leadership skills such as conflict management and negotiation; creative, innovative people are lost by attrition because they feel stifled in an environment where they can't contribute to making the best decisions.

**Why encourage candor?** "*Speaking truth to power* is key to high-performing teams," says Morrison. "Such teams allow for differences of opinion." Her style fosters open dialogue and encourages debate and healthy conflict. Campbell's *employee engagement survey* shows high scores on "*my opinion counts*." Town-hall style leadership meetings enable employees to ask questions, express opinions, and drive honest dialogue.



**Frank Balog**, former SVP/GM for ADP Western Region, now a consultant, recalls using *push-back* to encourage workers to speak truth to power. "The chairman modeled the behavior to let everyone know that it was *okay to disagree*, so long as you were respectful, did not make it personal, and did not whine. It was an unwritten norm."

For example, when Balog visited a shop floor, an employee asked, "Are you Frank Balog?" When he said yes, he was asked, "Who made the decision about packaging this product?" Balog replied, "That would be me." He asked the worker to describe the problem. "After listening, I realized that we had *added hours* of time to the process," says Balog. "If this person had not come forward, we would have piloted the *streamlined* process in 10 regions with big increases in cost, negative client feedback, and low morale."

## Learning Curve

To ensure that the use of candor is appropriate and effective, leaders and followers need six competencies:

- **Strategic thinking**, *considering and weighing all the options*. "In staff meetings, if someone suggests a solution, they know that they need a well conceived proposal because it will be challenged," says Balog. "We come away with better solutions. We foster dialogue that helps us refine our decisions. New managers are shocked at the level of candor. I hire the best and want them to give me their best input. *Speaking up* is imperative in addressing ethical issues and making decisions. People need to be reassured that there won't be retribution for *speaking truth to power*."

- **Interpersonal savvy**, an understanding of your impact on people and situations. Bennis argues, "It's not easy to know when to speak out and when to hold one's tongue." People need to learn to deliver negative messages constructively, without offending.

- **Ability to reframe issues** (or look at them through multiple lenses) to guide a discussion beyond an initial concept or one-size-fits-all solution.

- **Skill to work toward consensus**, keeping conflict at a task level, not letting it bleed into the interpersonal realm.

- **Courage and integrity**. "As leaders we must be role models, inspire trust, and hear challenges," says Morrison. "It takes courage to hear bad news. Employees need to know that *constructive criticism* is not an indictment of an idea or a decision. Every firm has its challenges and developing solutions is everyone's job."

- **Recognition that leaders are fallible people** who depend on others to fill in the gaps. "Leaders need to feel comfortable with themselves and their ability to accept feedback, admit mistakes and make course corrections that are best for their companies," says Balog.

*Ineffective leadership* revolves around *ego*. "If leaders don't leave their egos at the door and model the desired behavior, efforts to encourage *speaking truth to power* will fail," says Balog.

Leaders need to make it is safe to speak truth to power by creating a *culture of transparency* and championing *processes and programs* to encourage people to practice candor. This requires leadership, education, training, and a time commitment for people to learn to *speak truth to power* effectively. Excellent leadership depends on it. LE

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**ACTION:** Make it safe to speak truth to power.

# One-Minute Excellence

Observe the many Little BIG Things.



by Tom Peters

**O**NE-MINUTE EXCELLENCE. I can sense the curling of your lips. While such a moniker makes me shudder, too, there's a gem here to be discovered.

How do you go on an effective diet? How do you stop smoking? How do you stop drinking? In short, you do it—and it's done. Then you work for the rest of your life to stay on the weight-loss, cigarette-less, or booze-free wagon.

IBM founder Thomas Watson noted: if you want to achieve excellence, you can get there today—this second—*simply quit doing less-than-excellent stuff.*

This idea is profound. Suppose you're a waiter and, for your future's sake (forget the clowns who run the restaurant), you decide to set a *matchless standard for service.* How? You do it. Now. Sure you'll be clumsy at first. You will get a lot wrong. You'll need to read up, take classes, visit other restaurants to collect clues, and keep doing such things to maintain your edge.

Nonetheless, *you can become excellent in a nanosecond,* starting with your first guest tonight. Simply picture yourself as the greatest waiter ever—and act accordingly. Put yourself in the lights as a galaxy-class waiter; then perform with derring-do.

Does it sound wild? Silly? Maybe, but it isn't. The *first 99.9 percent* of getting from here to there is the determination to do it, and not to compromise, no matter the roadblocks. The *last 99.9 percent* is working to: 1) keep your dober up amid inevitable storms, 2) learn *something* new every day, and 3) practice that something, awkward or not, every day, come hell or high water.

What holds for the waiter holds for the CEO of global firm (and for the supervisor with four employees). How long does it take you to achieve world-class quality? Less than a nanosecond to attain it, but a lifetime of passionate pursuit to maintain it. Once the fire is lit, assume you've arrived—and never look back or do anything, no matter how trivial, that's inconsistent with your newfound quality persona.

*Suppose you commit to new heights in quality or service here and now.* In your

mind, you're an instant Nordstrom (retail) or Motorola (manufacturing). But your next task is to go through your email. What an opportunity! So you don't know much about Nordstrom or Motorola (yet!); nonetheless, respond to the first item in your email as you imagine a Nordstrom or Motorola exec would. If you receive an email from a front-line worker complaining about a *roadblock* to improvement, or a *request* to change vendors, or an *irate note* from a customer or distributor, act out your Nordstrom-Motorola fantasy of matchless quality. If you keep it up for even a day, peers and bosses will notice—and that's exactly the point! And your first tiny victory is that you (Ms. World-class Quality) are now living a new life and setting *the standard of excellence.*



Does all this amount to a pep talk? Hardly. (If you don't believe me, ask a friend in Alcoholics Anonymous, perhaps the most effective change program today. You will either change in a nanosecond—or never. It's true with booze, smokes, fat, and world-class quality. The determined shift of mind-set is an *all-or-nothing* deal.

I'm fed up to my eyebrows with execs (and folks of all ranks) who talk about *how l-o-n-g it takes to achieve change.* Pure rubbish. It takes forever to *maintain* change (one day at a time), but it takes only a flash to achieve even dramatic change.

For example, one morning, at a hotel in Houston, I woke up a non-exerciser. But for a series of simple reasons, I went out at 5 a.m. and took my first, bumbling speed walk. Eleven minutes later I was hooked. Every day I fret that I'll renege. It's a lifetime pursuit, which causes pain some days. But as of that morning, I was a no-baloney, world-class exerciser.

It is that simple. Honest. That's the theme of my new book, *The Little BIG Things: 163 Ways to Pursue Excellence.* In the *Enterprise* section is a guide to the principles of doing *Excellent* work. Here's a sampler:

*An organization is "People Serving People."* A trip to Siberia to give an all-day seminar got me thinking about *the basics of leadership.* I surprised myself when this definition of "enterprise at its best" emerged: *An emotional, vital, innovative, joyful, creative, entrepreneurial endeavor that maximizes individual growth and elicits maximum concerted human potential in the wholehearted service of others* (employees, customers, suppliers, communities, owners, partners).

Yes, this definition is idealistic. But examine it, one word at a time. Conjure up the word's opposite, and consider: *Do we want an emotionless organization—or an exciting and joyful one?* When you examine the words one at a time and conjure up the opposite, you're likely to agree that while it is a towering aspiration, it is not to be dismissed. Organizations exist to *serve.* The true bottom line: *People serving people.* If membership in your firm is not aimed at mind-blowing development for each member and window-rattling service for each customer, then *what's the point?*

*The PSF mandate: "Work worth paying for."* Three years ago, *BusinessWeek* reported that Schlumberger may well take over the world by rewriting the rules of the energy game. In short, Schlumberger knows how to create and run oilfields on a turnkey basis. As China and Russia, among others, make their move in energy, state-run companies are eclipsing the major independents. Aiding these new players, at the center of the Schlumberger empire, is a relatively new outfit, *Integrated Project Management.* It lives in a nondescript building near Gatwick Airport, and its chief says it will do "just about anything an oilfield owner would want." Schlumberger is transforming itself into what may become the most powerful *Professional Service Firm* (PSF) in history. Paths like this are open to many firms. Think Best Buy's *Geek Squads*, the mobile service units that are Best Buy's competitive advantage.

I urge *every* department to *re-conceive itself* as a turnkey-service, profit-making PSF. And, I urge all companies to grow and differentiate through *PSF-ing.* These PSFs can offer differentiated services limited only by imagination.

*Don't let your "enemy" rule your life.* In his book, *Your Business Brickyard*, Howard Mann writes: "Obsessing

about your competitors, trying to match or best their offerings, spending time each day wanting to know what they are doing, and measuring your company against them—have no great or winning outcome. Instead, you simply prohibit your company from finding its own way to be meaningful to its clients, staff and prospects—from finding its own identity and engaging with the people who pay the bills. Your competitors have never paid your bills and never will.” He quotes Mike McCue, former VP/Technology at Netscape: “At Netscape the competition with Microsoft was so severe, we’d wake up thinking about how we were going to deal with them instead of how we would build something great for our customers. You can never, ever take your eye off the customer. Even in the face of massive competition, don’t think about the competition.” Try to follow this advice: *Literally*, don’t think about them. Don’t let your *enemy* rule your life. It’s far easier said than done, but self-awareness is a start: *We* are the problem. *They* are not the problem. We have one source only of excellence: *Us*.

**Love your competitors.** At the top of my priority list is a desire for my overall market to grow by leaps and bounds! Over the years, my “market share” has gone down, but my revenue has soared—the *smaller share of a much bigger pie* axiom. So, I want my competitors to do terrific work! If they do, the *guru* industry’s stock will rise.

Does all this suggest an altruistic streak? Perhaps. But I think that when you badmouth or try to diminish your competitors in any way or try to limit their activities, word gets around. And you develop a reputation as prickly and egocentric—a selfish jerk. *The only effective long-term defense against the competition is to do better and unique work—to win with a remarkably better product, to win with deeper relationships, to win when your industry is prospering and well regarded. When you build up your competitors, you build up your industry!*

**Here’s the path to Sustaining Success:** You take care of the people. *The people* take care of the service. *The service* takes care of the customer. *The customer* takes care of the profit. *The profit* takes care of the re-investment. *The re-investment* takes care of the re-invention. *The re-invention* takes care of the future. At each step, *the only measure is Excellence.* LE

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**ACTION:** Take the path to sustaining success.

## Get Maximum Value

From your leadership program.



by Daniel R. Tobin

**L**AST YEAR, I MET WITH the VP of a public utility who told me that *nine of the top 11 people* in his business unit, including himself, were eligible to retire in the next five years and he had no idea where to find replacements.

I asked if they had a *leadership development program*. He said, “I sent one guy to an expensive program for a week—*nothing changed*. It was a *waste of money!*”

I spoke with Joe, the person who attended. “It was a great program. I learned and changed a lot. But I got back here, and *nothing else had changed*, other than having a lot of work to catch up on. I suggested some new ideas to my boss, and he said that everything was fine—no need for change. So, I’m using nothing of what I learned.”

**How can you get more value from your investment in leadership development?** Often the program is not the problem. What’s missing is a lack of *planning* and *preparation* before the program and *follow-up* and *follow-through* after the program.

### Planning and Preparation

In planning and preparing for Joe’s development, four steps could have been taken: 1) identify Joe as having *high potential for a leadership role* in the unit; 2) use a 360-assessment to identify Joe’s strengths and areas for development; 3) identify a suitable *executive education/leadership program* for Joe; and 4) prepare Joe for that program and set expectations for what he would learn and how he would use his new learning when he returned.

The process could have started with a *conversation about Joe* among the VP of power generation, his HR director, and Joe’s direct manager. The VP thought that Joe had the potential to grow into a leadership position. What did others think? Based on Joe’s job performance and on the qualities and competencies needed to lead the unit, should Joe be labeled as a *high-potential*? If so, next conduct a 360-degree assessment of Joe to better identify his strengths and development needs. The results then

could be reviewed, first with Joe, and then with the VP, the HR director, and Joe’s manager to agree on areas where Joe needs to develop or improve competencies, resulting in a *learning agenda*.

Next, the HR director and Joe could research programs available from business schools and other providers. Ask the counselors: “Here’s what I need to learn and the skills I need to hone—*what programs do you have that can meet my needs?*” Talk with the program’s faculty to learn how the program meets Joe’s needs. Joe and the HR director could then choose *the optimal program*.

Before sending Joe to the program, hold a meeting involving Joe, the HR director, the VP, and Joe’s manager to set expectations for *what Joe would learn* and *how he would use that learning* when he returned. “Here’s *what we expect you to learn*, and here’s *what we want you to do* when you return.” The post-program assignments could include an expanded job description, a new job, a special assignment, or another way of enabling Joe to apply his learning at work.

### Follow-Up/Follow-Through

Since several expectations were set

before sending Joe to the program, the VP must follow through to enable Joe to apply what he’s learned to his work in preparation for leadership roles. Once Joe returns, the HR director, VP, and manager should meet with Joe and ask, “*How well did the program help you meet our expectations?*” and “How can you best apply

what you learned in your current job or the new job or assignment?”

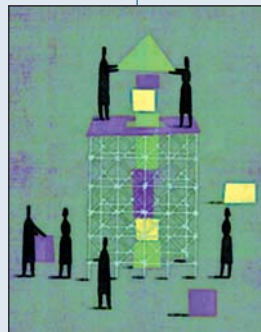
This is a chance for Joe to tell others, based on what he learned, what he’ll do in his current or new role and what support he’ll need. Based on this conversation, Joe should develop an *action plan* and a *new set of goals* against which they will measure his success.

The VP can then follow through on the new assignment by meeting with Joe regularly to check on his progress and to develop a sense of when he will be ready for a larger leadership role.

Had the VP followed these steps, he, the company, and Joe would have reaped more benefits from the investment in Joe’s development, and Joe would have been on track for a leadership role. LE

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**ACTION:** Boost the ROI of your LD program.



# Trust Me

Because I'm your leader.



by John Hamm

DO YOUR EMPLOYEES trust you? Previous leaders may have poisoned the ground on which you're trying to grow your team or business. Unless you can regain the trust of your employees, performance *will* suffer—and that's very bad news.

When people don't trust their leaders, they don't feel safe and don't take risks—they spend all their creative energy covering their butts. And where there is no risk taken, there is less innovation, less “going the extra mile,” and little unexpected upside.

**Building a culture of trust boosts performance.** So, start building your employee trust fund now. Feeling safe is a primal need. When that need isn't met, our natural response is to focus energy toward a showdown with the perceived threat. Our attention on whatever scares us increases until we fight, run in the other direction, or the threat diminishes. Without trust, people respond with distraction, fear, and, at the extreme, paralysis. And that response is hidden inside business behaviors—sandbagging quotas, hedging on stretch goals, and avoiding accountability or commitment.

Trustworthiness is the most noble and powerful of all leadership attributes. Leaders become trustworthy by building a track record of honesty, fairness, and integrity. Cultivating this trust isn't just a moral issue—it's a practical one. Trust is the currency you need when you need to make unreasonable performance demands on your teams. And when you're in that tight spot, your employees' willingness to expend their discretionary effort to meet those demands could make or break your company.

Most employees have been hurt or disappointed, at some point by the hand of power. That's why most leaders are in “negative trust territory” before they make their first request of an employee to do something. Before a team can reach its full potential, leaders must act in ways that transcend employees' fears of power.

As a leader, you must take the first

step—and *model trustworthiness*. Being trustworthy creates trust. So, practice nine aspects of *trust-building leadership*:

**1. Realize that being trustworthy doesn't mean you have to be a Boy Scout.** You don't even have to be a warm or kind person. In fact, some of the most trustworthy people can be harsh, tough, or socially awkward—but their promises must be inviolate and their decisions fair. Men and women whose word is their honor, and who can be absolutely trusted to be fair, honest, and forthright are more likely to command the respect of others than, say, the nicest guy in the room. You can be tough, demanding, and authentically whoever you are—and as long as you are fair and do what you say consistently, you'll still be trusted.

**2. Look for chances to reveal vulnerability.** We trust people we believe are real and human (imperfect and flawed)—just like us. So, allow others to get a glimpse of your personal vulnerability—some authentic weakness or fear or raw emotion that enables others to see you as *like them*, and therefore relate to you. When you are authentic, you earn your team's trust.



Present yourself as accessible, open and vulnerable—talk about your fears, challenges, and failures with humility, candor, and even humor—so as to break down barriers with those whom you wish to know. They know this does not threaten your power, but, rather, increases your influence.

**3. No matter how tempted you are, don't bullsh\*t your employees.** Tell the truth, match your actions with your words, and match those words with the truth—no spin, no BS, no fancy justifications or revisionist history—just tell the truth, even when it is not convenient, popular, or image-building. Be as forthright and transparent as possible. Disclose the maximum information appropriate to the situation. When you bend what you know is the truth or withhold the bare facts, stop, reformat your communication, and tell the truth.

**4. Never, ever make the adulterer's guarantee** (when you say to an employee, in effect, “I just lied to (someone

else), but you can trust me because I'd never lie to you.” When you commit any act of dishonesty or two-facedness, people assume that you'll do the same to them. They'll think back through all of their conversations with you, wondering what was real and what was disingenuous. For example, if you are polite, during their presentation, but then criticize them later, the story of your harsh judgment spreads, morale slips, and people never completely trust you again. Your reputation for trustworthiness can be wounded by *even one seemingly small act of dishonesty*.

**5. Don't punish good failures.** A *good failure* describes an initiative that, by most measures, is well planned, well run, and well organized—yet for reasons beyond control it fails. *Good failures* occur when you play well, but still lose. When you punish them, you instill a fear of risk-taking in your people and stifle creativity and innovation. Instead, strive to create a *digital camera culture*. There is no expense associated with an imperfect digital photograph—you just hit the *delete* button, and it disappears. Because we know *failure is free*, we take chances, and in that effort we often get that one amazing picture that we wouldn't get if we were paying a price for all the mistakes.

**6. Don't squelch the flow of bad news.** Do you shoot the messenger when she brings you bad news? If so, the messenger's priority is not bringing you the information you need to protect her hide. Good news zooms to the top; bad news—data that reveals goals missed, problems lurking, or feedback that challenges or defeats your strategy—flows uphill like molasses. Instill confidence and a trust that you value the facts, the truth, and speed of delivery, not the judgments of *good* or *bad*, and that you value messengers, not shoot them. Make it clear to your employees that *you expect the truth and nothing but the truth* from them. And *always* hold up your end of that deal. Don't ever shoot the messenger or dole out an irrational consequence. Build an insatiable demand for the unvarnished facts, the raw data, the actual measurements, the honest feedback, the real information you need most to make difficult or complex decisions.

**7. Constantly tap into your fairness conscience.** Precise agreements about *what is fair* are hard to negotiate, because each of us has our own sense of *fairness*. Still, there is seldom confusion about what *fair* looks like. Just ask: Would most people see this as *fair* or *unfair*? You'll know the answer. If you

treat your followers fairly, consistently, you'll set a pattern of behavior. This sense of fairness, critical to the creation of a safe environment, can be reinforced by complimenting fair practices and by privately speaking to those who behave unfairly to others.

**8. Don't take shortcuts.** Every leader faces pressure to *let the end justify the means*. When either victory or failure is in sight, ethical and moral constraints are sometimes abandoned—*always* for good reasons, and *always* “just this once”—in the name of expediency. This strategy sets the precedent for repeatedly using these tactics at critical moments—and corner-cutting begins to invade operations even when they aren't at a crossroads. Plus, when employees see you breaking the code of honor and integrity, they lose trust in you. Betray your stated values when you're feeling desperate—by lying to clients or spinning the numbers to get out of trouble with your boss—and you devalue trust and honesty in their eyes. When they see you breaking your rules, they see you as less trustworthy.

**9. Separate the bad apples from apples who just need a little direction.** The cost of untruths can be huge in terms of time, money, trust, and reputation. So, recognize that you can't “fix” a thief, a pathological liar, or a professional con artist—they must go. I decline to coach three failure modes: *no integrity, no commitment, and chronic selfishness*—manipulating outcomes for individual gain at the expense of the larger opportunity. These are *character traits*, not matters of skill, practice, knowledge, or experience. Don't distrust someone just because their work or performance disappoints you; rather, manage performance problems fairly—unless the person's character is the root of the trouble. Improving performance is often merely a matter of feedback, course correction, and coaching.

When you make mistakes or wrong choices, admit them quickly, completely, and with humility; fix them as soon as you can; and make full recompense when you cannot. *Trust is the most powerful, and most fragile asset—and it's almost exclusively created, or hampered, by the actions of senior leaders.* A culture of trust is a place where teams stay focused, give their utmost effort, and do their best work—a place where we can trust ourselves, others, and surroundings. **LE**

John Hamm is a former CEO, a board member, CEO adviser and coach and author of *Unusually Excellent: The Necessary Nine Skills Required for the Practice of Great Leadership* (Jossey-Bass/Wiley). Visit [www.unusuallyexcellent.com](http://www.unusuallyexcellent.com).

**ACTION:** Practice trust-building leadership.

## Bureaucratitis

Five signs your firm is infected.



by Steven Berglas

THE SMOKE RISING FROM the Capital in Washington, D.C., was *pure white*. Bells rang. People cried with joy—government would not shut down!

We're all sick of the folly on display in D.C. around creating a budget (for the record, we still don't have a budget—just a *stopgap bill*). But *my issue is with the dreadful comportment of our elected officials*. If they tried to run a lemonade stand they way they run our government, the enterprise would soon bomb.

In the decades I've watched in awe as entrepreneurs work 24/7 to ensure the profitability of their business, the worst flaw born of their monomaniacal focus on *getting results* is that it can blind them from noticing behavioral problems. The most deadly of spirit killer is *Bureaucratization*, an ossification of independence of thought, and a bastardization of healthy achievement-striving that converts an entrepreneurial attitude of *Victory at all costs* into a pernicious *CYA in all corners*. The symptoms that accompany bureaucratization—subterfuge and sloth—make anyone infected with *bureaucratitis* say whatever is expedient and whatever gets them through a crisis without personal consequences—company be damned.



### Top Five Symptoms

A misreading of the *top five symptoms* of *bureaucratitis* can kill your business:

**1. Fiefdom-building.** In start-up mode everyone is a Jack-of-all-trades. No one asks, *Who is responsible for that?* Instead, everyone problem-solves. When *bureaucratitis* strikes, senior people with distinct specialties get more baroque titles and job descriptions, layer of hierarchies form, and problems languish because people feel, “It's not my job.” When eye-witnesses to a crime do nothing about it, they assume, “Someone else probably called the police.” In business, this *diffusion of responsibility* is known as the, “*I didn't know it was my job*” syndrome.

**2. Finger-pointing,** the *that's his fault* syndrome. In a start-up, no one asserts

that Mike or Mary messed-up—it is *public knowledge*. If someone can't cut it, they're out. But when *bureaucratization* sets in, every error, *faux pas*, or failure to act, gets externalized: People point fingers at others' wrongs, to excuse their ineptitude or sloth.

**3. Risk aversion.** When senior staff members of a once-entrepreneurial company accumulate power and status, it changes how they think. Bold goal-seekers become wary turf protectors. This problem is most acute when department heads feel they can't climb to higher ranks and have nothing to gain by acting boldly, and everything to lose from sticking their neck out.

**4. Lex Talionis anxiety (the law of retaliation).** This unique form of anxiety afflicts those who have meted-out punishments *en route* to their senior status as the enterprise transitions from an *all hands on deck* problem-solving to delegation of responsibility and systems of rewards and punishments handled by department heads. Over time, executives who have punished or criticized staff members within their fiefdoms expect that these offended parties will demand retribution. This anxiety exacerbates *CYA* thinking and encourages non-stop finger-pointing. And, when people spend their time protecting themselves from what potential saboteurs might do, they have *zero energy* to devote to the job.

**5. The Big Lie.** This results from a cultural ethos that tolerates people who cavalierly distort the truth for self-protection. Narcissistic needs are suppressed or squelched in start-ups, but emerge when companies become profitable. Once financial gains are made and people operate from positions of “having something to lose,” they tend to see every event as needing to conform to their needs, rather than asking, “What's good for the business?” When people lie without consequence and assault colleagues with those lies, the moral fabric of a group—irrespective of how diverse the constituencies of that group are—is *irreparably damaged*.

Lifting and pulling together is the essence of the entrepreneurial spirit—the spirit of greatness. Self-centered attitudes of *bureaucratitis* kill that spirit. If not eradicated, this virus can kill enterprises and cultures. **LE**

Steven Berglas is an executive coach and author of *Reclaiming the Fire*, and *The Success Syndrome*. Visit [www.berglas.com](http://www.berglas.com).

**ACTION:** Eradicate bureaucratitis in the enterprise.

# Personalized Development

*Make the eight dimensions work for you.*



by Jeffrey Sugerman, Mark Scullard, and Emma Wilhelm

SEVERAL YEARS AGO, WE BEGAN A LEADERSHIP program centered on the question, “How are personality characteristics relevant to leadership?” We surmised that a leader’s personality plays *some* role in their effectiveness, but we wanted to know *how* and *why*. And, how can leaders use knowledge about personality to be more effective?

Despite all of the tools, processes and programs meant to develop leadership skills, some leaders are still more effective than others. And even those who become outstanding leaders make typical early-career mistakes.

How do we *know* when we see an effective leader in action? What is it about them? We began our “leader watching” by collecting observations from our 360-degree research, conducting an extensive literature review, and interviewing leaders at all levels.

We also took into account the leaders’ *personality self-assessments*. We learned whether leaders see themselves as primarily hard-charging and competitive, or more collaborative. We gained a sense of whether they were gregarious and entrepreneurial, or more reflective and analytical. We began to see distinct patterns that we categorized into leadership default settings, or primary leadership dimensions.

What comes to mind when you ask yourself, “Who am I as a leader?” You may think of objective facts such as your title, the size of your group, or your pay grade. But, if you push yourself further, you’ll start to name personal style characteristics. For instance, you might call yourself a *fair* leader, a *tough* leader, or a *motivating* leader.

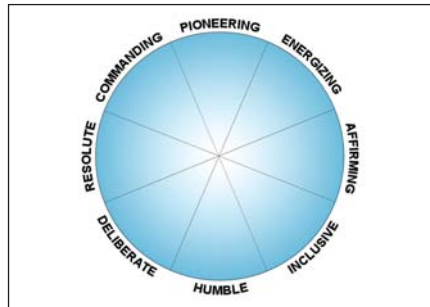
## Eight Dimensions Leadership

That sense of who you are and what you prioritize as a leader is your default setting. We identified eight dimensions: *Pioneering, Energizing, Affirming, Inclusive, Humble, Deliberate, Resolute, and Commanding*. These

dimensions form a *circumplex* model of behavior. The dimensions are arranged in a circular fashion, and those that sit across from one another are considered to be the most different in meaning.

Those dimensions opposite a given leader’s primary dimension should come least naturally to her; without conscious effort, she’ll likely stay in her “comfort zone” of behaviors. If she’s naturally a *Commanding* leader—that is, forceful, driven, and results-oriented—it will be a stretch for her to dial into the *Inclusive* dimension (facilitating dialogue and showing diplomacy).

So, given what we learned about leaders’ primary dimensions and their 360 ratings, we were curious: “How are personality characteristics relevant to leadership?” What we found surprised us. Those leaders who receive globally



high ratings of leadership effectiveness not only excel in particular areas of strength such as their primary leadership dimensions, but they also stretch *beyond* their default settings and cover more area of our *circular leadership model*.

## Creating a Personalized Experience

Leaders rated as *highly effective* can cover a broad spectrum of leadership behaviors, but *how do they learn to move beyond their individual strengths?* They often learn things the hard way—by seeing what isn’t working in terms of how others are negatively impacted by their behaviors. Many leaders also learn from *mentors* whose strengths differ.

Clearly, it would be preferable to find ways for leaders to develop more efficiently; and since personality *does* matter to leaders, it makes sense to *personalize* the LD experience. A *Ten Commandments of Leadership-style* program can’t possibly address the myriad perspectives that people bring to leadership.

The first step in creating a more per-

sonal development process is to understand your *psychological drivers*. If you’re an *Affirming* leader, you likely have a need for acceptance and affection, and an aversion to conflict. How could these two drivers impact your ability to traverse into other areas of the circle? Leadership behaviors such as *setting high standards for others* and *speaking up about problems* may be more challenging.

If you’re a *Resolute* leader—the opposite of the *Affirming* leader—you likely have a natural skepticism and a tenacious drive to overcome obstacles. These deep-seated *psychological drivers* may inhibit you being seen as *approachable* or able to create a positive culture for those you lead. By doing reflective work to understand how *your* particular psychological drivers may influence your leadership behaviors, you will be better prepared to make changes.

## Leadership Lessons You Need Now

How can you begin to stretch beyond your *default behaviors*? There is no one-size-fits-all prescription, even when taking your primary leadership dimension into account. The lessons that you need right now depend not only on your personality, but also on the culture, your goals, and career stage.

To personalize the LD experience, we created a *Leadership Needs Assessment* to help leaders discover which dimension they need to focus on now. Often, it’s a dimension that sits opposite their own, but this is not always the case.

Once you consider which one or two dimensions to work on, the key is to *learn from other leaders’ experiences*. Leadership development *does not* have to be all trial and error. For example, the *Humble* leader teaches us that: people need leaders to stay calm under fire; you need other people more than you think; and other people have needs that differ from your own.

We help not-so-humble leaders to assimilate these lessons into their leadership practices. Individual leaders can reflect on the drivers that trip them up.

Personality characteristics can be *leveraged* to create a highly personalized LD experience. With some self-assessment and reflection, you can learn to stretch beyond your comfort zone. You can identify thoughts that may be holding you back and take steps to adopting the positive behaviors that will enhance your ability to lead. You can learn to lead like you—*only better*. LE

Jeffrey Sugerman, Ph.D.; Mark Scullard, Ph.D.; and Emma Wilhelm, M.S., are co-authors of *The 8 Dimensions of Leadership* (Berrett-Koehler). [www.8DimensionsOfLeadership.com](http://www.8DimensionsOfLeadership.com)

**ACTION:** Understand your *psychological drivers*.

# Emotional Mastery

*Seek to excel in four dimensions.*



by Daniel Goleman

**E**MOTIONAL INTELLIGENCE has immense practical applications in leadership roles because beyond being smart intellectually (IQ), leaders need to excel in four domains of EQ:

**1. Self-awareness.** Emotional self-awareness—the ability to be aware of and understand your feelings—is critical for empathizing with the emotions of others (social awareness). Tuning in to *how you are feeling* plays a central role in *how you sense what someone else is feeling*. To make a good decision, you need to have *feelings about your thoughts*—connect your thoughts with emotional pros and cons to sense priorities and principles. And to more fully access your life experience on the matter, you need to access inputs from the basal ganglia: *when I did that, that worked well; when I said this, it bombed*. Your accumulated wisdom is stored in this primitive circuitry. The basal ganglia has connection to the verbal areas, and rich connections to the gastrointestinal tract—the gut. So in making the decision, *a gut sense of it being right or wrong is vital, too*. If the data doesn't fit what you're feeling, you should think twice about it. The best decision-makers are voracious consumers of any information that might bear on their decision. Then they all test their rational decision against their gut feeling. *If a deal doesn't feel right, they might not go ahead, even if it looks good on paper*. Answers often come to you via this gut sense. Then you put them into words.

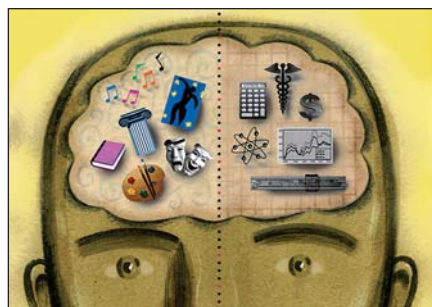
**2. Self-management.** Self-awareness (awareness of your internal states) and self-management (management of those states) are the basis for self-mastery and high performance. Competencies like managing emotions, focused drive to achieve goals, adaptability, and initiative are based on self-management.

Self-regulation of *emotion* and *impulse* relies greatly on interaction between the prefrontal cortex—the brain's executive center—and the emotional centers in the amygdala. The prefrontal cortex, in a sense, is the brain's *good boss*, guiding you when you are at your best. The dorsolateral zone of the prefrontal area

is the seat of cognitive control, regulating attention, decision-making, voluntary action, reasoning, and flexibility in response. The amygdala is a trigger point for emotional distress, anger, impulse, and fear. When this circuitry takes over, it acts as the *bad boss*, leading you to take actions you might regret later.

For the most part, you can't dictate *what emotions you will feel, when you'll feel them, nor how strongly you'll feel them*. Your choice comes once you feel a certain way. How do you express it? If your prefrontal cortex has its inhibitory circuits going full blast, you'll have a decision point that will make you more artful in guiding how you respond, and how you drive other people's emotions, for better or worse, in that situation.

The amygdala is the brain's radar for threat. If it detects a threat, in an instant it can take over the rest of the



brain—an amygdala hijack. You can't focus on what your job demands—you can only think about what's troubling you, what's relevant to the threat. You rely on habitual behaviors. You can't learn, innovate, or be flexible. You get the classic *fight-flight-or-freeze* response.

The problem is that the amygdala often makes mistakes. While it gets its data on what you see and hear in a single neuron from the eye and ear, it only receives a small fraction of the signals those senses receive. Most go to other parts of the brain that take longer to analyze the inputs—and get a more accurate reading. The amygdala gets a sloppy picture and reacts instantly. So you overreact in ways you later regret.

Here are the five top amygdala triggers in the workplace: 1) *condescension and lack of respect*; 2) *being treated unfairly*; 3) *being unappreciated*; 4) *feeling that you are not being listened to or heard*; and 5) *being held to unrealistic deadlines*.

**How can you minimize hijacks?** First,

notice early when you experience one. Monitor what's going on in your mind. Reason with yourself; challenge what you tell yourself: "He isn't always unkind—maybe I should give him a chance." Or try some empathy, or use meditation or relaxation to calm down.

**One value of self-mastery is being in the right brain state for the task at hand.** Every internal state has its advantages and downsides. The pluses of being in a positive mood are that you are more creative, better at problem solving, and more efficient in decision making. The negatives include a tendency to be less discriminating, make decisions *too quickly*, or pay too little attention to detail.

**3. Social awareness.** Social mastery requires social awareness and relationship management. *Mindsight*, the term coined by Daniel Siegel, refers to the mind's ability to see itself. Our awareness of another person's inner reality and of our own, are both acts of empathy.

The social brain includes circuitry designed to attune to and interact with another person's brain. The brain is peppered with mirror neurons and they activate in us exactly what we see in the other person: Their emotions and movements, even intentions. In one study, people were given performance feedback. If given negative feedback in a positive tone, they felt good about it; if they were given positive feedback in a judgmental tone, they felt negative. So the emotional subtext is more powerful in many ways than the ostensible interaction. We are constantly impacting the brain states in other people.

**4. Relationship management.** You are responsible for *how you shape the feelings of those you interact with*—for better or for worse. In this sense, relationship skills have to do with managing brain states in other people. For peers, the sender tends to be the most emotionally expressive person. But when there are power differences, the most powerful person is the emotional sender, setting the emotional state for the team.

**People pay most attention to what the leader, the most powerful person in that group, says or does.** If the leader is in a positive mood, that spreads an *upbeat mood* to others and that *collective positivity enhances group performance*. A leader's negative mood hurts group performance. Such emotional contagion is found in groups making decisions and seeking creative solutions. This contagion happens because of the *mirror neuron system circuitry in our social brain*. Person-to-person emotional contagion operates automatically, instantly, unconsciously.

**Social rapport has three elements:**

1) *paying full attention* (both people need to tune fully to the other); 2) *being in synch non-verbally* (moves are almost choreographed, like a dance—such *synchro* is orchestrated by neurons or oscillators, that regulate how our body moves in relationship to another body); and 3) *feeling positive* (like a micro-flow, an interpersonal high—moments of interpersonal chemistry, or *simpatico*, are when things happen at their best).

**The core skill in social awareness is empathy**—sensing what others are thinking and feeling, without them telling you in words. You continually send others signals about your feelings through your tone of voice, facial expression, gestures, and other nonverbal channels. People vary greatly in how well they can read these signals.

**There are three kinds of empathy:**

1) *cognitive empathy*: I know how you see things. Managers high in this empathy can put things in terms that people can understand and pick up the unspoken norms of a culture quickly—and that motivates people; 2) *emotional empathy*: I feel with you. People who excel in this empathy make good counselors, teachers, managers, and group leaders because they sense how others are re-acting; and 3) *empathic concern*: I sense you need some help, and I'm ready to give it. These are the good citizens who voluntarily help out as needed.

**You need to sense what another person is going through, what they're feeling, to feel compassion and to engage in compassionate action.** Narcissistic, Machiavellian, and sociopathic leaders can have *cognitive empathy*, but lack *emotional empathy* and *empathic concern*.

### Developing EQ

To enhance you EQ, first **mobilize the motivating power**. Draw on your dreams. Work from *where you are now* to *what you might improve* to get *where you want to go*. Get 360-feedback on your EQ competencies and use it to determine what competencies you should strengthen.

**Next, operationalize your goal at the level of a specific behavior.** Make it *practical*. Know exactly *what to do* and *when*.

**Then, do it over and over.** As you persist, you form new circuitry. One day you'll do *the right thing in the right way* without a second thought. Also engage in mental rehearsal—it activates the same neural circuitry as real activity.

It's never too late to improve your EQ abilities and competencies. LE

Daniel Goleman is author of *The Brain and Emotional Intelligence: New Insights*. Visit [www.morethansound.net](http://www.morethansound.net).

**ACTION: Develop your emotional intelligence.**

## Leadership Skills

*It starts with self-awareness.*



by Bill George

RECENTLY I SERVED AS *faculty chair* for Harvard Business School's new executive course, *Authentic Leadership Development*. Executives from 60 global companies spent five days honing their leadership—concentrating *almost entirely* on leading themselves, not others.

**What does leading yourself have to do with becoming a leader?** Everything, actually. Traditional leadership development programs have missed the mark for years, as they tried to remake leaders into someone different. I had this experience numerous times in my career. It was never successful.

One boss told me that I needed to improve my management style, which was an accurate observation. When I asked for clarification, he said, "*Be more like me.*" That feedback was not helpful, as his style and strengths were very different than mine. If I emulated him, others would have seen me as phony, and I would have been much less effective as a leader.

We've all seen leaders fail in trying to emulate great leaders. At one conference, I asked the participants, "Can we all agree that the *Great Man* theory of leadership is dead?" The essence of leadership is not trying to emulate someone else, no matter how brilliant they are. Nor is it having the ideal leadership style, achieving competencies or fixing your weaknesses. In fact, you don't need power or titles to lead. You only have to be authentic.

In 40 years, I've never seen someone fail for lack of IQ, but I've seen *hundreds* fail who lacked emotional intelligence (EQ). Daniel Goleman defined EQ as *competencies driving leadership performance*, including: *Self-awareness*: reading emotions and recognizing their impact; *Self-management*: controlling emotions and adapting to change; *Social awareness*: understanding others' emotions and social networks; and *Relationship management*: inspiring, influencing, and developing others while managing conflict.

In researching my book, *True North*, we interviewed 125 authentic leaders

and learned that *the essence of leadership comes from not from having pre-defined characteristics but from knowing yourself*—your strengths and weaknesses—by understanding your unique life story and the challenges you've experienced.

Everyone has a life story they are eager to share if anyone will listen in an accepting, nonjudgmental way. I have great admiration for Sen. Scott Brown's courage in telling his story of being sexually abused as a child. His story acknowledges the life forces that shape who we are. In sharing their stories at my *Authentic Leader* program, the executives found liberation and power by claiming who they are, not by trying to emulate someone else.

This isn't a new idea: 4,000 years ago the Oracle of Delphi said, "Know thyself." What is new is that we are learning how important *self-awareness* is to *leadership development*. Being self-aware is easier said than done. That's why so many leaders engage in self-defeating behaviors that cause failure.

**How can you become a self-aware leader?** Start with experiences in lead-



ing others in school, sports, or early work assignments. However, having one experience after another is not sufficient. Instead of plunging immediately into the next experience where you are prone to repeat your mistakes, you need to reflect on what you learned. Introspection can come from keeping a journal, meditating, praying or just sitting quietly.

**Next, seek honest feedback from people you work with.** The best developmental tool is 360-degree feedback from peers, subordinates and superiors. As one leader said, "*Feedback is the breakfast of champions.*"

Develop a small group of people with whom you can be open and honest in sharing your joys, sorrows, fears and dreams. They'll support you in challenging times and provide invaluable insights that enable you to grow as a human being and leader. We call these small groups *True North Groups* because they help you stay on course.

Leadership is not *exerting power over others* or *exhorting them to follow you*. It results from *your example of empowering others to step up and lead*. Leaders do that by *learning to lead themselves, becoming self-aware and behaving authentically.* LE

Bill George is the author of *True North* and *7 Lessons for Leading in Crisis*. Visit [www.TrueNorth.com](http://www.TrueNorth.com).

**ACTION: Empower others to step up and lead.**

## Act Like a Consultant

*Achieve results from relationships.*



by Chip R. Bell

HAVING SPENT 31 years as a consultant, I've learned much about how to make life work and how to make work come alive. *In that sense, I wish everyone could be a consultant.*

Consultants who make it beyond the *lean and mean* years get to taste the rewards of freedom, despite facing the anxiety of *what if I fail?* They acquire a devotion to the rhythm of riding their purpose, unshackled from the slavery of following a conventional schedule. Their initial guilt about not being at the office on Monday morning melts away, replaced by the bliss of working on a project into the wee hours because *you are enamored by the work!*

When you act as an independent consultant, you act in these six ways:

- **You act self-employed.** Your work day is the day you create. No one tells you what to work on. No one cares if you punch in or when. No one cares about the depth of your in-box, the location of your parking spot, or the number of meetings you attend. *Only concrete results matter*; tireless effort is just what you do to get there. Those who work with the same perspective are more successful than those who act as if they are a passenger on a cruise ship transporting them to retirement. Winners act self-employed, assuming *complete responsibility* for their destiny; losers hide behind *victim thinking* and *scapegoats*.

- **You bring optimism, courage, character and spirit to those you serve.** Those who are *joy carriers* thrive for the same reason. You do not inherit spirit, acquire spirit, or borrow spirit—you *choose spirit* much like *you choose* to introduce yourself. Those who opt for an upbeat, positive spirit are *happier, healthier, and more productive*.

- **You focus on results and are accountable for your performance.** Playing the *blame game* does not get you far. Clients are never moved by your hand-ringing excuses nor made more confident by your shifting the focus to the supplier who let you down. *Being late signals lack of commitment*, regardless of



the reason; *being unprepared* telegraphs *you don't care about your client*, despite the demons you tussled the day before. Those who work with a similar results-orientation are more successful than those who engage in *shake and fake*—passionate interest without substantive performance. Winners show up ready to perform and are only interested in efforts that yield achievement.

- **You are both a doer and a marketer.** Consultants don't just *do the work*—they also *market the work*. In fact, consultants who spend their energy on the work itself without regard to making its value known, typically fail. Likewise, those who spend their energy thinking about image and influence also fail. It takes a balance between *delivering value* and *insuring those who make buying decisions are keenly aware of that value*. Too many people who quietly do great works assuming it will insure their success are sadly surprised when their name ends up on *the layoff list* rather than *the unsung hero list*. On the flipside, those who focus on the billboard and not the "worktable" meet the same fate.

- **You value substance, not form.** We once dined with a colleague who became a consultant. At the bar was her ex-boss.

He was embarrassing himself. Watching the scene from our table, she said, "Just a month ago, I was frightened to go in his office. Now, I see *my fear was all about me, not him. He is not his rank.*" Consultants understand politics but expend their energy toward what is *real and contributive*, not what is *ritual and ceremonial*. Successful people live the lesson of Eleanor Roosevelt: *No one makes you inferior without your permission.*

- **You are generous and serve others.** The soul of service requires *caring about the client at a personal level*, not just at a professional one. The *relationship* is more important than the *transaction*. The wisdom and talent you generously share is more valuable than what you hoard or protect. *The humble facilitation of discovery is more powerful than the arrogant delivery of expertise*. Clients remember who you are and what you stand for long after they forget what you recommended or where you came from. *Success emanates from the exact same zeal to serve.*

Not everyone can be a consultant, but those with the *greatest influence* and self-worth are those who act as if they are. LE

Chip R. Bell is a customer loyalty consultant and the author (with John R. Patterson) of several best-selling books. His new book is *Wired and Dangerous*. Visit [www.chipbell.com](http://www.chipbell.com).

**ACTION:** Act like a consultant in your work.

## Hands-on Boss

*People will work for you.*



by Louis Ferrante

IF YOUR GOAL IS TO LEAD, and you are *eager to succeed*, you might learn from the black sheep—the Mafia, the longest-running corporation in history.

I've been *up close and personal* with several Mafia dons and have gleaned many lessons in leadership from these men. Perhaps the most valuable principle I learned is this: *the greatest, most effective leaders have been hands-on bosses.*

Despite the Mob's well-deserved reputation for violence, successful members are astute businessmen with an uncommon brand of entrepreneurial acumen—even strong values. If we shed our prejudices, we'll see that accomplished mobsters are much like other top leaders; in fact, a Mafia don is like a CEO or national political leader. His "capos" are his middle-managers or department heads. And his "soldiers" are his employees.

Many key government posts are filled by talented businessmen; their transitions into government are smooth because the essential qualities needed to succeed, once understood and attained, can be applied in any field. The same savvy is needed to climb any ladder. A person who acquires diplomatic skills and leadership qualities—and can motivate others—can master any organization.

The Mafia thrives during prosperous times; yet it flourishes *even more* in economic decline. Al Capone's soup kitchens fed thousands daily during the Great Depression. Why was Al able to dish out all that soup? How were Bugsy Siegel and Meyer Lansky able to visualize a multibillion-dollar resort (Las Vegas) when their contemporaries saw only a sleepy desert town? Why, at this moment of economic uncertainty, is the Mob thriving and scooping up real estate across the country while millions fight foreclosure?

### Power of a Hands-On Boss

In the early 1990s, *the second civil war* in 30 years broke out in New York's Colombo family. Two factions within the family—Persico and Orena—were warring over *who would become the boss*.

On one side, Carmine "The Snake"

Persico was leader of the *Persico faction*. He established himself on the Brooklyn battlefield and *had the scars to prove it* (he was shot in the face). Persico had always been a hands-on boss, but he was incarcerated during the second war. His men fought on without him.

On the other side, Victor “Little Vic” Orena was the leader of the rebel faction, comprised of Young Turks and a few old-timers. He was also a hands-on boss—well-liked by his men, accessible, always willing to get his hands dirty.

To compete with a man who had a *hands-on reputation* like Persico, Orena had to be a battlefield commander. This wasn’t hard for him. I knew Little Vic, and it wasn’t in him to yell orders from an ivory tower. It was a long, hard-fought war claiming many lives. The Persico faction ultimately won, but only by default after Orena was captured by the FBI and sent to prison.

A few years later, Orena and I ran into each other in federal prison. The first week we were together, the Italians were beefing with the Hispanics over the telephones. My codefendants and I strapped concealed weapons in preparation of the impending conflict.

I was surprised when Little Vic asked, “Where’s my knife?”

I looked at this 65-year-old don and said, “You’re not coming. We’ll handle it.”

“Bull!” he said, “I didn’t get to be boss by staying behind.”

On the streets, Orena had been a hands-on boss who went on missions and slept on floors with his men when they went to war. He remained a hands-on boss in the federal penitentiary.

### Why Become Hands-On?

Like Persico and Orena, archrivals Napoleon Bonaparte and the Duke of Wellington were also hands-on bosses. Wellington once said, “*Napoleon’s presence on the battlefield is worth 40,000 men.*”

Wellington had to be hands-on to ultimately defeat Napoleon. He once remarked, “I succeeded because I was always on the spot—I saw everything, and did everything for myself.” People, like soldiers, are willing to work harder and longer for a hands-on boss.

**Get out there. Meet people.** Visit the stores, warehouse, shipping room, and assembly line. Shake hands with truck drivers and cashiers. Put on a pair of Levi’s and get dirty. If you plan to compete with companies that have hands-on bosses, *you’d better be one yourself.* LE

Louis Ferrante is an intl. speaker and author of the upcoming book, *MOB RULES: What the Mafia Can Teach the Legitimate Businessman* (Portfolio/Penguin). Visit [www.louisferrante.com](http://www.louisferrante.com).

**ACTION: Be a hands-on boss.**

## Harnessing Energy

*It’s what leadership is about.*



by Rajeev Peshawaria

AS A LEADERSHIP CONSULTANT, I’ve asked thousands of executives: “Of all the bosses you’ve had in your career, how many would you call or consider truly great leaders?”

The average answer is between zero and two. Given the *abundance* of money invested in LD—roughly \$40.5 billion per year—this response is baffling.

Leadership is *not* an evolving science—the definition of *good leadership* hasn’t changed since the time of Alexander the Great. Why, then, is the *average answer* so low? Why so few great leaders?

I believe our approach to leadership is flawed. Too many individuals and training programs focus on how to be a leader—prescribing best practices, personality formulas, and the techniques of leadership gurus—instead of getting to the heart of what has drawn a leader to his seat at the top.

When working with an executive, my first question to him or her is, why do you want to lead?

How did Howard Schultz create Starbucks Coffee Company out of nothing but a dream? How did he find the resources to grow a commodity company internationally even though he had no breakthrough technology or new science that fulfilled new consumer needs? How did Kiran Bedi, India’s first female police officer, create so much positive change in a corrupt and male-dominated society? Where did she find the courage to fight against armed mobs and powerful politicians? How did Alan Mulally, an outsider to the auto industry, lead a spectacular turnaround at Ford?

They each discovered what leadership meant for them—they discovered their why. Schultz wanted to create a company that treated its employees with respect and dignity—something his father never had. Bedi was on a mission to make India a better place. And Mulally came to Ford “to save an American and global icon.”

Schultz, Bedi, and Mulally all had *incredible emotional energy*—the power

to stay the course despite formidable obstacles. Emphasis is often placed heavily on cerebral skills at the expense of this crucial source of leadership success. Again, leadership is not about competency models, personality traits, or formulas—it is about having the lasting energy to stay true to your vision for positive change, even in the face of the most powerful resistance. Leaders who achieve exceptional results despite tough challenges are able to do so because they know how to: 1) Identify sources of unlimited emotional energy to fuel themselves; 2) Enlist a few co-leaders and align their energy toward a shared purpose; and 3) Galvanize the energy of large numbers of people to create sustainable collective success.

Leadership is all about energy. In fact, I define leadership as the art of harnessing human energy toward the creation of a better future. The difference between leaders and bosses is this: Leaders find the energy to stay on and fight, and energize others around them, while bosses give up. Energy can neither be learned in a classroom nor automatically acquired by accepting a big title or position of authority. Leadership energy must be discovered.

While leaders must energize teams and organizations, *before you can lead others, you must lead yourself.* Finding your personal source of energy is a long journey. Ask yourself a few questions: What few things are most important to me? What kind of life do I want to live? A simple one, rich with everyday pleasures? Achieve great personal success? Lead others toward a better future? What results do I want to bring about? How do I want people to experience me? What values will guide my behavior? What situations cause me to feel strong emotions?

Examining these questions will give you clarity about purpose and values—the only lasting source of leadership energy. Leadership is a choice, not a promotion, position, or title. To promote yourself to a leader, start with the six questions. Besides giving you a strong leadership foundation, they will also help you navigate through difficult times. LE

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**ACTION: Address these self-leadership questions.**



# Real Work of a Leader

*It occurs in the smallest of moments.*



by Douglas R. Conant and Mette Norgaard

PICTURE YOUR TYPICAL DAY AT WORK . . . The back-to-back meetings, presentations, deadlines and other priorities. Now factor in all the people who need your attention: The unexpected phone call that comes during a creative thought; the person who stops by without an appointment; the team member who needs guidance on a project and the personal commitments in your life.

If you're like most people, you view these brief encounters and other small moments as interruptions—distractions to be minimized so that you can get to your real work.

These so-called interruptions *are* the real work of being a leader. A leader's impact and legacy are built through thousands, of these moments in time. We call these moments *TouchPoints*.

We've spent five years developing this idea. Mette is a gifted developer of people and has dedicated most of her professional life to helping individuals and organizations reach their potential from the outside-in as a sought after thought leader, author, consultant, trainer and executive coach.

I was born and raised in the suburbs of Chicago and have dedicated my professional life to helping organizations reach their potential from the inside-out as a corporate executive. I've worked for five well-known global food companies, the last 10 years as President and CEO of Campbell Soup Company.

Together, our different perspectives and experiences have infused this work in what we believe to be a very rich and well-rounded way. We believe these moments and how we handle them ultimately defines our success as a contributor and as a leader. Through these *TouchPoints*, we can all create powerful leadership connections in the smallest of moments. If we handle these interactions well, we'll likely succeed. If we don't, we'll likely fail.

We all have stories where a few well-timed words in a brief encounter

have created a special connection for us. For example, in graduate school, I worked two jobs and took a full load of classes. My schoolwork began to slip, and one of my more demanding and favorite professors called me aside and in a caring way, he said, "Doug, you can do better." Four well-timed words helped me get back on track. He never needed to say them to me again.

Mette and I believe that if we work at it in a disciplined way, each of us has the capacity to create those kinds of powerful connections for and with others every day. Our philosophy recognizes that we all have dozens, if not hundreds, of *TouchPoints* daily.

A *TouchPoint* occurs any time two or more people get together to deal with an issue and get something done. We view each day as an elaborate sequence of *TouchPoints*. They can be



planned or spontaneous, casual or carefully choreographed. They take place in hallways, on factory floors, in conference rooms, on the phone, via e-mail or instant messaging. Some deal with straightforward, relatively minor issues, while others involve complex challenges with wide-ranging effects.

These *TouchPoints* are moments where you can bring your strategies and priorities to life. These interactions actually translate your ideas and leadership philosophy into new and better behaviors.

All *TouchPoints* have three variables: the issue, the other people and the leader. The issue can be your issue, other people's issue or it can be a shared issue. The leader is the person who brings a little magic to the moment. Taking the lead in a *TouchPoint* is not a matter of title or position—it is a matter of behavior. The leader is the one who listens carefully, helps others frame the issue, creates a sense of urgency to advance things and creates

confidence about the next step.

*TouchPoint leadership capitalizes on social networking, the exponential effect.* Every person you engage with is embedded in webs of relationships.

Whatever you say or do in a *TouchPoint* may be quickly transmitted to five or six people in that person's network—then relayed to colleagues, and so on.

When you impart a sense of urgency, people may pass that on; when you inspire confidence, that too may be transmitted; and, of course, when you blow it, everyone is bound to hear about it. The mindset you need to bring to this work needs to be anchored in an *abundance mentality*. To be highly effective on this front, you need to be tough-minded with standards and tender-hearted with people.

Business is demanding—if you don't perform at a high level, you can't play at a high level. In fact, if you don't perform, you won't play. You simply must have high standards for performance, and meet or exceed those standards.

Yet, as a contributor and a leader, your performance is dependent on other people. Your challenge is to ensure not only that they are highly competent but that their hearts are fully in the game.

If you want people to engage in their work passionately with heart, you need to engage with heart. You need to bring an *abundant mindset*—tough-minded with standards and tender-hearted with people—to every interaction. You need to make *TouchPoint Mastery* a priority. You need to work at it—starting with handling one interaction a little better today. Then another, and another.

As you pursue *TouchPoint* mastery, you need to use your head, heart and hands. You need a *logical model* that guides your approach to working with people and effecting change. You need a *clear sense of purpose* and an *authentic way of engaging with others*. And you need to develop practices that enable you to be prepared and competent in the moment.

These three essentials are not a prescription for the right way to lead, simply a structured approach for developing your way of working with people, your brand, and your unique voice and touch.

We often hear about *crucible moments* that mold character. Yet it is the millions of everyday moments that shape your reputation. There's always an imminent *TouchPoint*—maybe in the next thing that happens to you today. Use it well. LE

Douglas R. Conant and Mette Norgaard are co-authors of Touchpoints: Creating Powerful Leadership Connections in the Smallest of Moments (Jossey-Bass). Visit [www.conantleadership.com](http://www.conantleadership.com) and [www.mettenorgaard.com](http://www.mettenorgaard.com).

**ACTION:** Make the most of your touchpoints.

# Leadership, Top to Bottom

*The key to successful skill-based strategies.*



by William C. Schulz III

**I**N OUR COMPETITIVE AND uncertain economy, leaders that are leveraging their human-capital base and exercising skill-based strategies are winning, while those who treat their human capital as expense items to cut in order to preserve profits are losing.

To thrive in good times—and survive and prosper in lean times—an organization must have a smart, responsive, and capable human-capital base. As Jim Collins notes, *great organizations continually develop their people and provide a setting where people are largely self-managed and self-motivated and where they ask for, and thrive on, responsibility.*

What is *skill-based strategizing*, and the leader's role in implementing it?

## Inside-Out Thinking

Skill-based strategizing is a way of looking at the classic strategic notion of fit between *internal resources* and *external opportunities*. It starts with the idea that *inside-out* thinking is more effective than *outside-in* thinking. Strategic leaders must know as much—or more—about their people's skills and capabilities as they know about market opportunities or the structure of financial assets. It's not enough to know how many managers work in a department or what the cost of payroll is. Leaders must know what types of knowledge and other resources their people offer in order to effectively bring these assets together. An organization that creates a composite that is valuable in the marketplace can generate returns over time *in any economy*.

To succeed at implementing effective skill-based strategies, leaders need a strong entrepreneurial orientation and a strong, *hands-on* commitment toward building a diffuse, systemic leadership culture (reminiscent of Jim Collins' Level 5 leadership). The key is to build specific leadership competences in the ranks of senior leaders and to create the capacity for systemic leadership. To achieve this, senior leaders must be devoted to active culture-building and strategic HR management. The top leadership team must set key metrics

and behavioral expectations and apply them to recruiting and developing collaborative leaders. They must seek to develop *distinctive institutional competence*.

In *Leadership in Administration*, Selznick proposed a theory of how and why organizations transform from expendable tools into social organisms infused with value and character. For Selznick, *distinctive competence* reflects a firm's ability to adequately build a unique, viable, healthy *personality* that is not easily imitated nor destroyed. It also enables an institution to establish credibility that can add value to both its internal and external constituents in the face of continuous pressures.

For Collins, if senior leaders are too focused on externals, such as financial outcomes, rather than on the internal, such as developing *institutional competence*, they can't maintain adequate



skills (human capital) or organizational slack (willingness of employees to adapt to change) to compete over time.

A *sustainable leadership-development system* is key to enhancing long-term productive opportunities. It's better to focus on the development of a *systemic leadership culture* within a firm than it is to focus on individual leaders.

In a *skill-based strategy interpretation* of Collins' research, using terms he introduced in *Good to Great*, the acquisition, development, and evolution of *leadership talent* (integrated with *content talent*) is the baseline for developing a flexible, responsive, disciplined organization. Ensuring that the "right people are on the bus" and working within a culture of self-responsibility and self-discipline drives a firm's ability to compete and thrive. There must be complete commitment to *leadership development* and to *dispersed leadership*.

With systemic leadership processes and development in place, leaders can

continually evaluate the efficacy of the "hedgehog" concept or core-alignment orientation and adjust their strategies and tactics as needed. The ability to *evaluate and adjust* drives performance, allows *reinvestment*, and positively reinforces *institutional competence*. What an organization *does* is not the central driver of its future, but *who the organization has aboard* and whether it maintains a culture that can leverage human skills for future applications.

Senior leaders need to focus: 1) first on *skills and resources*, second on *opportunities*; 2) first on *customers*, then on *competitors*; 3) first on *customer benefits*, then on *price*; and 4) first on *dynamic capabilities*, then on *static assets*. Each is a key aspect of the skill-based strategy.

Of these four related elements, the first two refer to the core institutional commitments of effective skill-based strategies: an entrepreneurial leadership orientation paired with a culture of leadership that is widely dispersed.

## Endure and Thrive

An *entrepreneurial orientation* requires that leaders focus on solving current, future, and potential customers' problems by leveraging the organization's skills and dynamic capabilities. A true test of whether an organization is *skill-based* is to see if the language of its people and publications revolves around *problem-solving* and *capability-enhancing*—or around products, market share, and financial standing. Leaders with the discipline to ask "what are we good at, and who else can benefit from our capabilities?" are far more likely to see opportunities than those who focus on past success and are locked into "this is what we build/offer" mindset.

We need strategic leaders who are dedicated to building skill-based organizations and defending them by developing strong *institutional character and competences*. It is not enough for owners, leaders, and managers to count assets and amass wealth, which can then be traded and redistributed in efficient financial markets. *Genuine commitment by leaders and managers to developing firm-specific skills and distinctive competences is required*. Leaders must understand the nature of their firm's knowledge, skills and capabilities, and learn how to nurture, invest in, change, and strategically utilize these unique resources. Leaders must care for and develop their people—the base for all future success. LE

William C. Schulz III, Ph.D., is the Associate Dean of Walden University's School of Management and an award-winning research scholar in strategic management and entrepreneurship.

**ACTION:** Create a sustainable leadership system.

## New Leaders

*You need a deep bench.*



by Barry Salzberg

**P**UBLIC TRUST IN BUSINESS and leaders took a major hit in the last recession, and the damage lingers. What exactly did we learn, and how can we use that knowledge to prepare a new generation of leaders?

The damage of recession wasn't just economic. It also inflicted major collateral damage on the image of business and leaders—people blamed *questionable business practices* seen as short-sighted and destructive.

Two of three Americans think we have a *leadership crisis*, and only half have faith in their leaders to handle it. This points to the deeper leadership challenge—*sustainability*. Our stakeholders expect us to make decisions and implement practices for the long term, and are seen as being in the *public interest*, as opposed to being *near-sighted* or *selfish*.

*Sustainability* is a synonym for *trust*, and it challenges the wisdom of business models that may work spectacularly for a few years, only to prove unsustainable when markets change. Sustainability speaks to practices that support our customers and communities and to a *sustainable pipeline of top talent*—people who will only join us if they can trust us and feel we share their values.

My challenge to leaders, then, is to use the lessons of the Great Recession to create a *new generation of leaders*.

### New Model of LD

The recession prompted a shift in our approach to LD. Instead of seeing *leadership* as an elite and rarified set of skills, we see it as *something that needs to be present at every level*. Everyone needs to *think like a leader*, and act in the best interests of the organization, whether that means *stepping up* in an instance or *stepping back*, knowing someone else has deeper experience or a better expertise for a particular issue.

One goal is to *give more leadership "at bats" to everyone*. To guarantee more opportunities, we instituted *term limits*. And to ensure experience is broadly applied, we have a *transparent program*



to *identify our high-potential people*, then provide them with stretch assignments.

At the same time, we're emphasizing more cross-functional learning and LD. For example, when people are promoted to management, we put them into cross-functional *live-fire* simulated learning environments where they can make big, complex decisions—safely. This is a trust builder, showing—in a practical, real-world way—how our culture looks at issues, through the lens of *sustainability*. As a result, people can be more decisive because they know what the likely best call will be. And, they know that seeking advice is an indication of strength, not weakness.

### Action-Oriented Learning

Our approach to *teaching* and *instilling* leadership has changed. Once people would listen to a sage on the stage. No longer. They want *direct involvement*, and so this year we started building a state-of-the-art learning and LD center on a 107-acre campus outside of Dallas, Texas. This facility will forgo *passive, lecture-style learning* in favor of *action-oriented, experiential learning* better geared to *the rhythms* of how people learn today.

Here *new hires*—picked in part because they *are* leaders—will receive orientation. The *newly promoted* will build their skills. And *partners* and other *senior leaders* will come to refresh, retool, and tune their skills. And, thanks to advances in teleconferencing technology—putting people from anywhere inside the classroom—we *hope to include people at all phases of development*.

Today, leadership is less about *command-and-control*, more about *consensus building*—being a *catalyst for action*, as opposed to being at the center of it. I often liken next-generation leadership to dancing, where success depends on partners who can lead *and* follow—both are more focused on *the best outcome* than on *who is leading at the moment*. Such flexibility requires leaders who are mature and generous enough to know when to *step in*—and equally, when to *step out* so others can grow.

I challenge people at *all levels* to train their own successor, so that people accept that *leadership* means *them*. All organizations will need a deep bench, with *tested leadership* committed to decision-making made through the lens of *sustainability*. At this time, *everyone* must have *skin in the game* for the long haul. **LE**

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**ACTION:** Develop leaders committed to sustainability.

## Leadership Lessons

*Learn from the battle of Gettysburg.*



by Ed Ruggero

**H**ISTORY CAN TEACH US much about human behavior and help us see how we influence others—the *essence of leadership*. Military history, in particular, offers insights into how people act under pressure, how they make decisions within tight time constraints, with imperfect information and when the stakes are high—insights that we can use to make smart decisions.

The *Gettysburg Leadership Experience* features on-the-ground study of the leadership challenges facing commanders in the largest battle ever fought in North America. Here are *four of the key lessons* for leaders:

**1. History lesson: McPherson's Woods.** Union Calvary Commander John Buford spotted Robert E. Lee's Confederates near the crossroads town on June 30, 1863. Buford had been given no plan, but he knew *inaction was not an option*. He saw the high ground south of Gettysburg as a good defensive position. If his outnumbered soldiers could hold off the enemy, the Union Army might win the footrace to those hills and hold the superior position—and a decided advantage—if Lee attacked.

**Business lesson: Assess, decide, act.** Sometimes you have to *take charge of the situation* and *make a call*. With its tight deadlines, incomplete information and rapidly changing scenarios, today's business world resembles a battlefield and calls for the same decision-making confidence. So, if you want people who will *act* when action is called for, what developmental program or process do you need? Executives must choose the kinds of leaders they need and how they'll develop those leaders.

**2. History lesson: Little Round Top.** In 1862 Joshua Chamberlain was a professor of theology / rhetoric at Bowdoin College in Maine. On July 2, 1863, this citizen-soldier was in command of a few hundred men at the left flank of the Union Army, with orders to *hold the position at all costs*. If his men failed, the Confederates could turn the Union flank, knock the army from its position, and threaten Baltimore, Philadelphia, Washington and the entire war effort. Chamberlain's soldiers withstood

repeated assaults, but were soon low on ammunition, their ranks decimated. He suspected that the enemy gathering at the bottom of the slope was exhausted, but they were about to attack again. He couldn't go back, and he couldn't await another assault. So when the enemy came up the hill, Chamberlain and his troops charged down. The unexpected maneuver broke the last Confederate attack, saved the position and—quite possibly—the entire battle.

**Business lesson: When there's no clear-cut solution, create a new one.** There was nothing in Chamberlain's experience that told him what to do, so he improvised. His actions are still used as an example of inspired, creative leadership in training today's Army leaders. Leaders must stay open-minded and use their imaginations; if the situation calls for an all-out charge, leaders must have the courage to see it through.

**3. History lesson: Pickett's charge.** On July 3<sup>rd</sup>, some 15,000 Confederate soldiers massed for a frontal assault against Federal troops dug in along Cemetery Ridge, nearly a mile distant. Lee believed that his men would prevail. He could then attack Washington; the war could be over in a month. Lt. General James Longstreet was Lee's most trusted subordinate. He counseled Lee against the assault, saying it was unwise and doomed to fail. Lee listened but overruled him. Longstreet was right: Pickett's charge was the beginning of the end for the Confederacy.

**Business lesson: Know when to listen.** When a trusted partner approaches you with a viewpoint that's vastly different from your own, push aside ego and preconceived notions and carefully consider what he or she is saying.

**4. History lesson: Gettysburg Address.** In Nov. 1863 President Lincoln spoke at the Soldiers' Cemetery on the Gettysburg battlefield. His address opens: *Four score and seven years ago our fathers brought forth on this continent a new nation, conceived in Liberty, and dedicated to the proposition that all men are created equal.*

**Business lesson: Remind people what they're working toward.** Lincoln's speech was brilliant in its simplicity. He defined what the war and its sacrifices were about. Leaders must be clear, especially in difficult times, articulating the goals and giving people hope and direction.

The lessons of history are compelling. Leaders who visit Gettysburg learn lessons that benefit them and their companies. LE

Ed Ruggero is an author, speaker, West Point graduate, former soldier and professor, and leads The Gettysburg Leadership Experience. Visit [AcademyLeadership.com](http://AcademyLeadership.com) or [edruggero.com](http://edruggero.com).

**ACTION: Learn leadership lessons from war.**

## Leadership as Action

*I see it as a verb, not a noun.*



by Ronald J. Baker

OUR BELIEFS DETERMINE our actions. As valuable as knowledge and education are, our actions are guided far more by our beliefs than our knowledge.

At the end of WW II, H.G. Wells wrote, "History becomes more a race between education and catastrophe." Wells believed *knowledge alone* would create a more peaceful world. But before they became the aggressors in World War II, the German people were among the best educated in the world—and the Japanese among the most literate.

Much has been written about the characteristics of successful leaders, such as: direction, trust, hope, vision, faith, service—and these are important, but can they be learned? *We know what it takes to produce top-rate doctors or lawyers, but no clue how to produce great leaders.* I'd like to tackle this question from the perspective of what all great leaders have in common.

Our beliefs determine our actions. Consequently, **effective leaders:**

- Are curious about the way the world works.
- Are voracious and inveterate readers. *Leaders are readers.* If you're not reading 50 books per year, your mind is closed and your ability to inspire others is limited. Why would anyone want to follow someone who isn't expanding their own mind?

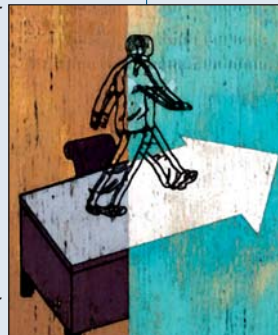
- Constantly challenge the status quo, and don't accept "that's the way we've always done it" explanation.

- Take risks. If people want safety, they can invest in T-Bills. When it comes to enterprise, profits come from risks—not playing it safe.

- Take ideas seriously. Ideas/knowledge rule the world, and should be taken more seriously than personalities, societal status, credentials, superficial traits.

- Take the time to think about, and reflect upon, their actions—activities grossly underutilized by today's executives.

- Follow and have followers. If you can't inspire others to find their path, you shouldn't be leading. If you want to lead, learn to follow, meaning you need your own leader to look up to.



- Don't shy away from confrontations or controversy. In fact, they seek it out. Pioneers take the arrows. There are no books titled *Great Moderates in History*.

- Have faith in the future. The *leap* is more important than the *look*, but you won't leap without faith. Some leaders lack faith—in themselves, in their leaders, in their ability to add value, and in their ability to adapt to current realities.

- Understand that *judgments* and *discernment* are more important than *measurements* in assessing performance. All measurements are, in fact, judgments.

- Have a high tolerance for ambiguity. If you remove ambiguity, you're left with overpaid administration.

- Trust their workers to do the right thing for *the company* and *its customers*.

- Recognize that individuals, not jobs, have value.

- Select workers who are passionate, self-motivated *without constant supervision*.

- See that "*consensus is the negation of leadership*," as Margaret Thatcher said. Indeed, as Martin Luther King, Jr. said: "A genuine leader is not a searcher for consensus but a molder of consensus."

- Are not afraid of making tough decisions. The word *decision* comes from

Latin *decidere*, meaning to cut off. Steve Jobs, CEO of Apple, said: "I'm as proud of what we don't do as I am of what we do."

- Realize that *emotions* are essential to good decisions, since "most people reason dramatically, not quantitatively," as Oliver Wendell Holmes wrote. This is why people are inspired more

by stories than statistics. Martin Luther King did not proclaim, "I have quarterly objectives," but spoke of a dream.

- Know that *effectiveness* trumps *efficiency* always. There is nothing as useless as doing efficiently that which should not be done at all. As Stephen Covey points out, "Be efficient with things; we are effective with people."

- Grasp that routine, systems, and processes are the *antithesis* of innovation, creativity, growth, progress, and dynamism. Change and creativity take us by surprise. George Gilder said: "Creativity is *intrinsically surprising* and the source of all real profit and growth."

*Leadership is a verb, not a noun; it is an action, not an identity. We may not be able to teach or learn it but we can perform it in our spheres of influence. LE*

Ronald J. Baker is founder of VeraSage Institute and author of *The Firm of the Future* and *Implementing Value Pricing*. Email [Ron@verasage.com](mailto:Ron@verasage.com), or visit [www.verasage.com](http://www.verasage.com).

**ACTION: Show your leadership in your actions.**

# High-Performance Leader

*Assess whether or not you are one.*



by Howard M. Guttman

**H**IGH-PERFORMANCE leaders (HPLs) are a breed apart. They are distinguished from traditional, hierarchical leaders by five traits:

**1. They are visionaries and architects.** Many business leaders are *visionaries*. But a HPL holds out a *unique vision*. To overcome immediate challenges and those that lie ahead, HPLs have scuttled the traditional *hierarchy model* and replaced it with a flat, horizontal one. Cathy Burzik, CEO of Kinetic Concepts, notes, “Most organizations function on a hub-and-spoke model, with decisions radiating from a central base of power, not built for *high performance* and *speed*.”

But a leader needs to be more than a visionary. The question is: Can you lead your team and organization down from the mountaintop? Given the *demands* placed on leaders today, visions need to be *operationalized*, which is a unique strength of HPLs. They have an architect’s flair to see the *whole game*—the blueprint, not just the vision—for creating a great organization. And they know how to inspire in others the desire to make that blueprint a reality.

**2. They know they can’t do it alone.** HPLs are not necessarily *charismatic* or *heroic*, though it takes guts and grit to be one. They are team players. Their notion of *teamwork* isn’t driven by ideological notions of *shared decision making* or *engagement*, but by utilitarian considerations. HPLs believe they are more powerful and effective—and their organizations create greater value—in the presence of high-performing teams that function horizontally.

Over the last 10 years, Burzik has learned the *only way to accelerate performance is by going horizontal*: empowering teams to make the decisions formerly made at the top. In her words, “It enables you to multiply yourself.”

Like great architects, HPLs surround themselves with people who can bring their blueprint to life. They don’t hammer the wood, but they hire people who can. They answer such questions as: Who are the players? What *competencies* must we develop or acquire to create a *high-performance organization*? What role

do I play in bringing this about?

**3. They build authentic relationships.**

To great leaders, *authenticity* has a special meaning: *holding up a mirror to players to reflect, in real time, how well they measure up to the requirements of a high-performance environment*. And being a *relationship builder* doesn’t involve being a *people person* with *natural interpersonal skills*. Rather, it’s about *building trust* so that the team can openly discuss, assess, and confront one another on *actual performance* in order to raise the bar. This *relationship-building process* begins with the leader posing *five tough questions*:

- What’s the business strategy, and how committed are we to achieving it?
- What key operational goals flow from the strategy, and how do we make sure that these goals drive decision making?
- Are we *clear* on *roles* and *accountabilities*?
- What ground rules will we play by?
- Will our business relationships be



built on honesty and transparency?

In raising these questions with team members and in searching for answers, effective leaders lay the groundwork for a solid, performance-oriented set of relationships. What emerges is a *fully aligned and engaged team of players* who think and act like a *mini board of directors*.

**They model the behaviors that they expect from their team.** Leaders’ behavior sets the performance standard for others. It can spawn an *army of imitators*.

One CEO posted a sign outside his office: “I practice HPTs (*high-performing teams*).” It reminded visitors that they were about to enter a *high-performance zone*, and reminded the CEO to practice what he preached: *authenticity, transparency, receiving and delivering candid feedback, holding himself and others accountable, and focusing on results*.

**They change mind-sets.** HPLs tend not to focus on *re-structuring, reorganizing, or reengineering* as a going-in priori-

ty for changing how they get results. Their *first task* is to *change mindsets*, starting with their own. They command without commanding. They put aside ego and encourage team members to make decisions and produce results—and *hold them accountable* for doing so.

In redefining their role, HPLs see the net advantage of *letting go*, which frees them from many onerous aspects of traditional leadership, ranging from playing Solomon to acting as enforcer.

With the traits in mind, *candidly answer these 10 questions*:

1. Have you led an alignment effort to ensure that everyone on your team is clear and committed to a common strategy and set of operational goals, to clear roles and accountabilities, to ground rules for decision making, and to transparent business relationships?

2. Do you require that your team act as a *mini board of directors*, where each team member puts aside functional self-interest and *owns* team results?

3. To what extent do you encourage your team members to hold one another accountable for business success? And hold *you* accountable—and say so?

4. How attuned are you to the leader-player dynamic of each team member? Do you adjust your behaviors—directing, coaching, collaborating, delegating—to player and situational needs?

5. Do you cling to the old story, “As a leader, *I get paid to make the decisions*?”

6. Do team members view you as answer man, night watchman, referee, an enabler—or as a questioner/coach with a maestro’s baton?

7. Do you role-model effective leadership behavior in leading your team—and in how you manage upward: say, to your board of directors?

8. When a team member disagrees with you, do you: a) say *thank you* and assess the contrarian position; b) use sarcasm, avoidance behavior, or seek rescuers from your team; c) become unglued; or d) press the *eject* button?

9. When did you last ask your team if you contribute to their ability to reach *high-performance goals* and expectations?

10. When you look behind you, do you see a team of leaders—or followers?

There is, of course, one HPL question that’s missing: *What results have you and those you are leading achieved?* Results tend to be derivative. If your answers reveal that you are a HPL, then *high-performance results* have likely followed. **LE**

Howard M. Guttman is principal of Guttman Development Strategies, and author of Great Business Teams: Cracking the Code for Standout Performance ([www.greatbusinessteams.com](http://www.greatbusinessteams.com)) and Coach Yourself to Win ([www.coachyourselftowin.com](http://www.coachyourselftowin.com)).

**ACTION:** Be a high performance leader.

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