

# LEADERSHIP Excellence

Warren Bennis



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

NOVEMBER 2010



**Profitable  
Growth**  
**Excellence  
Always**  
**Beyond  
Clarity**  
**Motivate and Inspire**

**Christopher Rice**  
**Leadership Consultant**

*"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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 VOL. 27 NO. 11 NOVEMBER 2010

## Inspire High Performance



*You will model greed, not flat-out speed, unless you as a leader have a clear target, become inspired, and inspire others to excel, always.*

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# Leadership Lite

Many LD programs lack substance.



by Ken Shelton

AFTER LAST MONTH'S RANKING of 2010 Best LD programs (see page 2 of Oct. LE), I received several calls and emails from people who wondered why their programs were not ranked at all or not ranked higher (or why other "inferior" LD programs were ranked ahead of their pet program). I confess again to a degree of fallibility and subjectivity; however, far too many LD programs offer a very "Lite" menu of development options and feature few best practices in program design and delivery.

## 20 Best Practices for 2010

We rate these as *20 Best LD Practices for 2010* in five domains:

**Process/Program Design:** 1) process and program designed to deliver a certain brand of leader; 2) alignment of LD with strategy and priority outcomes; 3) involvement of top management and engagement of top talent; 4) measurements and *accountability for results*; 5) multiple dimensions, phases, and delivery platforms.

**Experience:** 6) on-job experience: field or rotational assignments/crucible challenges; 7) off-job experience: leader role in extracurricular and volunteer activities; 8) action learning: on-the-job development with reporting, shared learning, and action items; 9) simulation, pilot, team, off-shore, or small-scale operation.

**Content/Curriculum/Competencies:** 10) case studies, stories, culture and community building; 11) different agenda and curriculum for different levels; 12) focus on a few, specific core competencies; and 13) smart content: curriculum adapted to various levels *in strategic context*.

**Learning/Teaching:** 14) mentoring and coaching, especially at senior levels; 15) teaching others, and learning from others; 16) feed-forward with team members.

**Results/Outcomes:** 17) financial revenue and customer/market orientation; 18) participant invitation/contract or performance agreement; 19) integration with TM for sustainable pipeline of leaders; and 20) linkage between stated values and behaviors with measurements.

## 20 Next Practices for 2020

Here are *20 Next Practices for 2020*:

1. Participants own their own personal, professional, and leadership development.
2. Participants select from a rich menu of

development and progression options.

3. Line leaders discuss best win-win development options: both *Now* and *Next*.

4. Participants enjoy more horizontal, creative, external, and extracurricular options.

5. Participants are matched with the best-fit coach or mentor in light of development goals.

6. Participants have clear development targets and business contributions.

7. Organization has clear agreement to ensure ROI on LD investment.

8. Participants gain key social and political competencies (and practice them).

9. Participants have *exciting development options in three domains*: education, experience, and execution (see new *menu of options* on [www.LeaderExcel.com](http://www.LeaderExcel.com)).

10. Participants are *motivated* to progress by both intrinsic rewards and extrinsic incentives.

11. Participants are *inspired* to progress to prepare for future roles and responsibilities.

12. Company-sponsored LD benefits employer first and foremost.

13. The LD is also *highly transferable* in that it provides participants with confidence, experience, core competence, and character development.

14. Participants can create personal LD plans and select priorities that intersect with company priorities.

15. Participants cultivate the management and leadership competencies considered most important *Now* (current) and *Next* (future).

16. Program content and courses, are leveraged across line managers, functional managers, and C-level leaders to benefit all levels and meet key strategic objectives.

17. Participants enjoy multi-dimensional development paths and learning platforms that best fit with their learning style.

18. LD Program features a fluid design that includes JIT response elements supporting business strategy and goals and greater reliance on blended learning solutions.

19. LD Program uses 360-degree assessment and feedback tools that are customized to company and point to unique development initiatives for high-potential leaders.

20. All LD tools, programs, and processes have an action-orientation; and experiential learning and action learning are leveraged to real business solutions.

The true value of LD is difficult to assess, but as LD is integrated with strategic activities, its value will become more apparent. LE

Ken Shelton

2010  
BEST  
and  
2020  
NEXT  
PRACTICES

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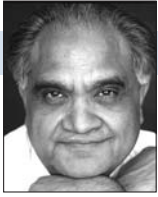


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# Profitable Growth

*Sales has now become everyone's job.*



by Ram Charan

**E**VERYBODY NEEDS TO think differently about sales. When you keep losing sales, despite having great products and services, you need to reconsider what you're trying to achieve and how you're doing it, and then reinvent the way you sell.

The traditional sales process dates back 50 years when supplies were tight, suppliers held the cards, orders had to be booked weeks in advance, and customers had little room to negotiate price. *Salespeople were basically order-takers.* That is rarely true today.

*As suppliers increased, salespeople evolved from order takers to ambassadors,* plying social skills to learn customer needs and using product knowledge to present products and services to match those needs. They built relationships with purchasing agents, cementing ties with golf games, skybox seats, theater outings, and special events. Those relationships gave salespeople an edge, if they could also meet customer requirements.

Now there's a glut of suppliers, and thanks to the Internet, they are easy to find. All customers have access to prices and specs from suppliers globally. And customers, under pressure to deliver value to their shareholders, are compelled to use the new power of transparency and overcapacity to drive down prices, resulting in unprecedented commoditization with devastating effects: *Customers can play one supplier against the other in online auctions that force prices so low the seller can't make money.*

Under these conditions, long-standing relationships and good products are not enough. You can have great strategies, differentiated technologies, faster product development cycle times, efficient operations, and good friends in the customer's shop—and *still not get the sale,* or not at premium prices. Margins are squeezed, sellers can't retain customers, and top-line growth evaporates.

*But the pressure on customers to perform is a huge opportunity for suppliers who can help them.* Customers must meet their financial expectations, but also succeed in the marketplace. While they want low prices, they also want

their clients to love their products and services. They want to win against competitors, develop their business, improve their earnings, and keep cash flowing. In short, they want to succeed on many dimensions. And they want suppliers who can help them achieve those things by acting as *partners,* not one-time *transactors.*

*Your customers want you to know how their business works, so you can help them make it work better.* You can't do that with a *traditional sales approach.*

My approach to selling releases you from the hell of commoditization and low prices. It differentiates you from the competition, paving the way to better pricing, better margins, and higher revenue growth built on winning relationships with customers.



## Turn Selling Around

*The heart of the new approach is an intense focus on the prosperity of your customers.* No longer do you measure your success first—you measure success by how well your customers are doing with your help. You're not focused on selling a specific product or service; you're focused on *how your company can help the customer succeed in all the ways that are important to that customer.* By tapping your resources to help customers meet their goals and priorities, you are adding value.

The ability to *create value for customers* will differentiate you, and you'll be paid a fair price for it—one commensurate with the value customers perceive they receive, and the value you provide. I call this new approach *value creation selling (VCS).* It is different from how most companies sell today, in five ways:

1. *You devote much time and energy to learning about customers' businesses in detail.* What are their goals? Which financial measures do they favor? How do they create market value? What key

factors differentiate their product or service? Only then do you look for ways to help the customer, working together to change the nature of the game in your customer's industry based on value you can help provide.

2. *You use new capabilities and tools to learn how your customers do business and how you can help them improve.*

People from different departments must be intimately familiar with your customer. You compile and share information about your customers to determine the best approach for helping them win. You build new social networks, and ensure that information flows in both directions with frequent interaction among people in different functions.

3. *You'll need to know your customers and their customers.* Beyond satisfying customer demands, you need to know what motivates *their* customers. To tailor your solutions to your customers' markets, you must know who their customers are, what they want, what their problems and attitudes are, and how they make decisions. To devise unique offerings for your customer, you must work backward from the needs of the end consumer to the needs of your customer. This is the *customer value chain.*

4. *This approach will require longer cycle times to produce an order and generate revenue.* It requires patience, consistency, and high trust with your customers. In this new relationship, the two-way information exchange is far deeper. But once it gets going, the cycle time can be very fast, because you enjoy high trust and high credibility.

5. *Leaders must reengineer the recognition and reward system to foster behaviors that make the new sales approach effective.* Hitting quarterly sales targets is not the only basis for rewarding the sales force. Other members of the sales team from various functional areas must be recognized and rewarded proportionately for their contributions.

## What Salespeople Need to Know

Salespeople are no longer solo operators. They're team leaders, responsible for directing groups of experts from such diverse areas as finance, legal, and manufacturing. Your support functions need to work in earnest with the sales leaders, synchronizing their priorities with the needs the sales leader lays out.

*Salespeople will need to master a new body of knowledge and tools in order to earn the respect and cooperation of their team members.* They'll need to understand the customer's business, including their market seg-



ments and trends, how the business makes money now and how it will make money in the future. Salespeople will call upon their teammates to engage with people in the customer's shop. Teammates will develop their own connections inside the customer's company and contribute their insights to help the team develop a view about future trends and game-changing ideas to help the customer.

Salespeople must clearly define the customer's *business* needs and tap the creativity and expertise of colleagues to shape alternative offerings to satisfy those needs, and test those alternatives by engaging with people in the customer's organization. Finally, they must refine the value proposition and be prepared to demonstrate, especially to key decision makers, how the customer's business stands to benefit.

VCS doesn't end once the sale is made. Interactions among people of the customer's and selling organization must continue to build the trusting relationship necessary to develop future value propositions. Salespeople must ensure that *the solution produces promised results*, and that the dialogue with the customer is forward looking, energizing, and creates *game-changing ideas*.

### The Promise of Growth

Apply 10 VCS principles to achieve profitable growth:

**1. Revenue growth is everyone's business, so make it part of everyone's daily routine.** Every contact of every employee with a customer is a chance for revenue growth. The fruits of these efforts *energize people and enhance their confidence*. Growth taps into their energy to generate ideas for growth.

**2. Hit many singles and doubles, not just home runs.** While home runs enable a quantum increase in growth, they are unpredictable; singles and doubles can happen daily to drive profitable revenue growth and build a growth mind-set. Then, when chances for a home run come along, you're prepared to take advantage of them.

**3. Seek good growth, avoid bad growth.** Good growth increases revenues and improves profits, is sustainable, and does not use excessive capital. It's also primarily *organic* (internally generated) and based on differentiated products and services that fill new or unmet needs, creating value for customers.

**4. Dispel myths that inhibit growth.** Confront excuses such as: *We're in a*



*no-growth industry* or *Customers are buying only on price*. Have a growth agenda and communicate *urgency* about the need to increase revenues and build the business so that action-oriented people know what needs to be done *today*.

**5. Increase revenue productivity.** This is a tool for getting "more with less" by creatively searching for ideas for revenue growth without using more resources. It shows how to invest current resources in ways that increase sales by analyzing all that a business does.

**6. Develop and implement a growth budget.** Most lines in budgets are cost-related. Few, if any, identify resources for revenue growth. The growth budget enables a company to increase revenues. It includes *all critical actions that require resources to achieve revenue growth goals*. Follow-up includes *rewards for success and penalties for poor performance*.

**7. Beef up upstream marketing.** Most traditional *marketing* activities are *downstream* in that they enhance the acceptance of a current product or service. *Upstream marketing* happens at an earlier stage by developing a clear *market segmentation map* and identifying and defining which customer segments to focus on. It analyzes how the end-user uses the product or service and what competitive advantage will be required to *win the customer* and at what price.

**8. Learn how to do effective cross-selling (value/solutions selling).** Select a segment of customers, define the mix of products and services they need, and creatively shape a value proposition unique to them. *Present the proposition to the right decision makers in the language of the customer* and spell out the financial, physical, and post-purchase benefits of the offering.

**9. Create a social engine to accelerate revenue growth.** When your growth agenda is shared by everyone, growth becomes a focus—and a social engine. *People then see growth as everyone's job*, making revenue growth a reality.

**10. Convert innovative ideas into revenue growth.** Innovation is a social process that requires collaboration and communication to generate ideas, select some to be funded for revenue growth, shape them into product prototypes, and launch them. To keep the growth engine running, have a disciplined program of *cost productivity improvement*. **LE**

Ram Charan is the author of *Leaders at All Levels* (Jossey-Bass). Visit [www.ram-charan.com](http://www.ram-charan.com).

**ACTION:** Achieve profitable growth next year.

## Leverage Yourself

*Request completed staff work.*



by Stephen R. Covey

ONE CHALLENGE OF leadership is to get important things done with the time and resources you have. From Henry Kissinger, I learned the principle of *completed staff work* (CSW).

When given a recommendation from his staff, Kissinger would ask: "Is this the best you can do?" Often his staff replied, "No. We could improve it." After they'd reworked and resubmitted it, Kissinger would again ask: "Is this your very best work?" After several iterations, they'd deliver their final recommendation. Kissinger then replied, "Good, now I'll read it." He knew that with CSW, they'd contribute more.

To *leverage yourself as a leader*, take these five CSW steps:

**1. Know what you want.** Clarify expectations and desired results. Help people to understand that they're expected to give their best thinking in solving problems, making decisions, and formulating recommendations.

**2. Ask questions.** Ask staff members, "What is your recommendation? How would you solve this problem or implement this policy?" Solicit their ideas for a successful outcome. Give credit and recognition for their contributions.

**3. Clarify assumptions.** Clarify all assumptions as to the premise of the work, the required format, criteria, and timelines. Different assumptions cause people to go off on different tracks, resulting in frustration and loss of buy-in.

**4. Give people the tools they need.** Provide necessary resources, time, and information; otherwise, don't expect CSW. Be accessible as needed to give information and feedback.

**5. Provide a setting for success.** Set a time for review to give people a chance to present their work. Respectfully ask questions with positive feedback before recommending next steps.

The CSW principle teaches people to do their own thinking and put their best work forward. It produces higher-quality results by tapping into people's talents and potential. **LE**

Stephen R. Covey is author of *Seven Habits of Highly Effective People and Principle-Centered Leadership*. Visit [www.StephenCovey.com](http://www.StephenCovey.com).

**ACTION:** Request completed staff work.

# Excellence Always

*Are there natural limits—or not?*



by Tom Peters

ONE OF MY SIGNATURE phrases is *Excellence, Always*. But what does it mean? We hear *Excellence in leadership! Excellence in innovation! Excellence in management! Excellence in excellence!* The phrase can readily be reduced to meaninglessness, or even absurdity.

*Fact is, some tasks are not worth pursuing to the point of excellence.* Life for all of us contains lots of work that we must simply get through. Or, as a work-at-home mom said to me, “surviving the next hour seems more than enough challenge.” Amen!

I acknowledge reality—for you and me, and the beleaguered mom. But I’m not ready to throw in the towel.

Shortly before he died, Hall of Fame San Francisco 49ers coach **Bill Walsh** coauthored a fine book, *The Score Takes Care of Itself*. His point: *the culture and preparation, finished before the opening kickoff, determine success or failure.*

In 1979, Walsh took over an ailing franchise as head coach. His first year’s record was 2-14. Two years later it was 14-2, and he beat Cincinnati in the Super Bowl. What happened? Some fine talent was added—Walsh was a master of player selection. But mostly the team’s approach to the *business of football* was altered dramatically. By *business of football*, I don’t mean profit and loss. I mean the demeanor on the practice field, the ethos of helping one another, even the travel dress code.

Which brings me back to *Excellence, Always*—and any exceptions thereto. Again, I graciously bow before the work-at-home mom praying for survival in the next 60 minutes. On the other hand, I am with Bill Walsh, whose goal was to establish the 24/7 habits of *professionalism* in his ragtag army in 1979. **George Patton** did the same thing with his ragtag inherited army in North Africa in WW II; he began with the demand for better hygiene and snappy uniforms in the midst of crippling desert conditions. Soon, he was winning battles (the score took care of itself). Likewise, it is said that Admiral **Horatio Nelson** could alter the “small” habits of seago-

ing professionalism in a fleet within weeks of taking command; this was the imperative precursor to victory.)

I’ve long argued that the only measure of *Excellence* is “I’ll know it when I see it.” It’s all about the character of the team and the team’s practice habits. Yes, there are good days and bad days. There are a dozen times a week when I join our mom-under-fire and pray to survive the next hour. Such is life. Yet the devil is in the details—and so, too, *Excellence*. Another of my constant drumbeats is: “*Excellence* is not an aspiration—*Excellence* is the next five minutes.” All we have is the moment.

Not surprisingly, Helen Keller and Mother Teresa put it in far more sublime words: “I long to accomplish a great and noble task, but it is my chief



duty to accomplish humble tasks as though they were great and noble,” said **Helen Keller**. “We do no great things, only small things with great love,” noted **Mother Teresa**. For me these two profound quotes serve as analogues to *Excellence, Always*.

Like you, I’ve had bad days and weeks, months and years. Yet the measure of worth remains *the attitude toward the next minute to come: Excellence Always. If not Excellence, what? If not Excellence now, when?* *Excellence* is not an aspiration: *Excellence* is the next five minutes.

*Anyone who takes on any leadership job, minor or major, assumes a Sacred Trust to practice Excellence Always.* I know that’s extreme language. But I stand by it. For example, as I reflect on the Gulf oil spill and the violations of sacred trust, there is more than enough blame to go around, from BP and Hapless **Tony Hayward** to Deepwater Horizon to Halliburton to the pathetic dis-incentivized federal regulators.

Great leaders regard the profession-

al (and personal) development of people as a Sacred Trust. Sure, the boss’s job is to *get the job done*. But boss-hood primarily entails an abiding responsibility for the people under your charge.

*Hence, Leadership is a Sacred Trust* (as is the practice of law, medicine, and any profession, including engineering). Certified engineers, like certified doctors and lawyers, take oaths to live up to the their rights and responsibilities.

In my ardor for engineering, I find myself beset with outrage at numerous engineers employed by BP, et al. BP seems to have gotten it wrong on a dozen engineering dimensions, in the name of *cost control*, or whatever. I don’t care about the cost control issues, real as they are. I care that Ralph and Mary Engineer abrogated professional responsibilities. Yes, Ralph and Mary have bills to pay. And their bosses doubtless put merciless pressure on them. Hence my empathy is high. But I’m appalled. They’ve cost us lives and economic and environmental damage of epic proportion because they lacked the integrity to blow their professional whistles and stand up for the discipline to which they have sworn allegiance.

In the United States, we are known as an individualistic nation. But along with our peerless *rights* of individualism come a profound set of *responsibilities*. If you encourage me to *do my thing*, you also make it clear that the practice is, unequivocally, a *sacred responsibility*.

## Leader’s Job 1: Service Excellence

Leaders are helpers, servants, and teachers. In effect, they have only one objective: pursuing improved performance by fostering long-term personal (and team) engagement, learning, and continuous development.

Leaders must be deeply immersed in the *professional practice* of helping. Like listening, helping can be mastered—through hard work. Helping is 10X harder than you think: *Listen/Engage. Thank/Appreciate. Apologize/Nurture.*

Leaders and organizations exist to serve. *Service* is a sacred word. *To be of service* is the highest aspiration possible. *To have been of service* is the highest tribute. *Have you been of service today?*

*Every opportunity to be of service that you miss is lost.* Seek to be *Insanely Great in the practice of service excellence*—to both internal and external customers. In fact, internal customers are more important than external customers when it comes to execution. LE

*Tom Peters is the best-selling author of The Little BIG Things. Email tom@tomspeters.com or visit www.tomspeters.com.*

**ACTION:** Practice service excellence, always.



# Cycles of Leadership

Great leaders teach their teams how to win.



by Noel Tichy and Chris DeRose

WHEN CONFRONTED WITH BAD NEWS, some leaders ignore it or label the messengers as *resisters*. Few are committed to teaching their troops, and listening to and being taught by them. Today, every leader and manager must get everyone to contribute to the collective knowledge pool, and get people to act faster and more effectively by creating *teaching organizations* that develop leaders at all levels.

Over 30 years, we studied how the best leaders pass down their heritage of leadership by injecting teaching and learning into the core DNA. They build a *continuous generation of knowledge* in which everyone teaches and learns.

## Got Your Backfield in Motion

You can't go anywhere until you've trained a successor to take your place. *Have you trained candidates to step into your job?* How good are they? Do they have a clear, *teachable point of view* (TPOV) that's been tested in the marketplace? Do they drive higher performance? Do they develop other leaders? How well are they doing? Do candidates share their knowledge, learn from others, and create systems that institutionalize interactive teaching and learning?

*Great leaders architect events at which the group develops its TPOV.* As a leader, you need to have a *point of view*, but sharing it first or overpowering the dialogue narrows discussion. Your role is to inject energy to keep the process open, working with the group to come up with a shared vision.

When there are boundary issues that you don't want to discuss, you must make your *point of view* known. GE CEO, *Jeff Immelt* notes: "I get lots of advice, but I don't delegate the decision. I ask, *What do you think?* Then, I decide."

Leaders of teaching organizations drive dialogue on the TPOV, gain alignment through the ranks and get people to act in alignment to serve customers

and execute the strategy.

Most leaders push one-way messages down. Employees feel free to ignore these, secure that management will soon turn its attention elsewhere.

Here's how you can build alignment.

**Step 1: Build a senior-team TPOV.** In *virtuous teaching cycles*, teachers are open to new perspectives, and learners take responsibility for debating their points of view with the teacher, knowing that breaking down hierarchical and functional walls that compartmentalize knowledge leads to bottom-line results.

*Great leaders don't care where good ideas come from.* They don't let their egos prevent them from learning from any source. The ability to teach begins with a TPOV—a set of ideas, values, and ways of energizing people that can be articulated and put into action. That comes from *making tough decisions*, and



*exercising edge.* The TPOV provides a basis for dialogue and debate, ensuring that people are aligned and that the best ideas are acted upon. It comes from the top, but everyone has input. A TPOV is open for dialogue and revision, yet *all issues are not negotiable*. Leaders explain their thinking, *listen to questions and concerns*, then pick a course and stick to it.

*Creating the right conditions for top teams to come together requires the effective use of power* to generate the *emotional energy* that produces *behavior changes*. Although some leaders fear that *clarity of direction* may entail a political loss for them, only the direct order of the leader will get the team to focus on the TPOV. This paradoxical use of power—issuing orders so people will voluntarily open up and hold a dialogue—is a prerequisite to building a teaching cycle, but it must be handled carefully. If leaders are too autocratic, team mem-

bers may never engage; if they wait for consensus, they'll be on hold forever.

**Step 2: Develop leader/teachers.**

Leaders of teaching organizations start a teaching cascade that reaches everyone. The CEO and his or her team teach the next level of leaders, charging them with defining a strategy, vision, and values; teaching those to their own teams; and running projects that directly contributed to accomplishing the vision. The new leaders in turn cascade the teaching to the next level, taking teams of 10 to 30 members through the TPOV in interactive sessions that bring everyone on board.

**Step 3: Build teaching into the organizational DNA.** Create a teaching cycle for high-potential leaders. Charge these future leaders with strategic projects, on which they work with coaches from senior management, and help create the leadership point of view.

Having leaders teach does more than unify decentralized factions and create a cohesive set of values and strategies. It encourages leaders to step out of traditional command-and-control roles and tap dormant brainpower and energy.

*Assess yourself in 10 areas* to test how well you're building future leaders:

**1. Senior leadership:** Our leaders are passionately committed to teaching.

**2. Teaching infrastructure:** There are mechanisms and programs designed to drive teaching through our company.

**3. Operating systems:** These are more focused on *creating teaching cycles* than on meeting internal bureaucratic needs.

**4. Leadership TPOV:** I have a clear teachable point of view that I actively use to teach and learn from others.

**5. Engaging storyline:** My TPOV is crafted into a *compelling, motivating storyline* that I use to engage stakeholders.

**6. Priorities:** I define my leadership role as teaching, and spend 30 percent of my time teaching/developing others.

**7. Power:** I handle *the paradox of power* well, requiring people to teach and participate in events to develop our TPOV.

**8. Local virtuous teaching cycles:** As a team, our department engages its people in teaching cycles that force us to change our thinking and behavior.

**9. Teaching environment:** We foster informality and help our people build self-confidence so they can teach us.

**10. Citizenship:** We're involved in the wider community that engages our members in teaching and learning through *corporate citizenship* activities. LE

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**ACTION: Teach and train to build a pipeline.**

# Purpose Principle

*It frames all life and career experiences.*



by Kevin Cashman

**T**HE SECRET OF SUCCESS is constancy of purpose, noted Benjamin Disraeli. Purpose has the potential to elevate people and organizations from crisis to contribution. While crisis tends to restrict our vision into the immediate, purpose expands possibilities into a meaning-filled future. *Crisis is the stuff of management; purpose is the stuff of leadership.* How often do we focus on solving an urgent problem and lose touch with higher-order values and longer-term perspectives that could create more enduring contribution?

What determines or defines a crisis in your firm? A financial crash, a loss of a key person or crucial customer or key investor, a Board out-of-step with the CEO and marketplace? All can send chills through a CEO. What leadership characteristic most bridges us from ambiguity to clarity, from fear to hope, from despair to meaning? *Purpose is the bridge of authentic leadership.*

Purpose is also the transformational force of value-creating significance that is only satisfied with contribution and service. Using our leadership talents to serve something bigger than ourselves is the fuel for individual and collective purpose. Purpose is not a goal to be set; it is not something we create; it is not a slogan or a great idea we promote. It is something that is honed in the losses and privileges of our business and lives. It is *the thing* we know for sure and for which it is worth dedicating our lives. The creative, boundary-breaking powerhouse, Apple, has purpose pulsing through its performance: you can feel it when you are there, see it in their products and hear it in Steven Job's passion.

## Codify Purpose in a Credo

Your *Credo* should guide how your business relates to all of its constituencies. As history attests, your *Credo* becomes even more relevant and purposeful during crises. Purpose inspires us to do something of enduring significance. Purpose elevates us, reminds us what is really at risk. *The intellect in the mind of leadership, purpose is the*

*heart of leadership.* When things look bleak, purpose quickens the pulse to provide a meaningful vision.

*After 9-11 and the Gulf Crisis, many people lost their bearings.* Those who remained grounded were clear about their purpose and contribution. Since the *Wall Street Meltdown* and *cascading revelations of corruption and greed*, many leaders struggle to connect their strategy and purpose to a clear vision. Amid betrayal, people are laboring to trust. *The opportunity of leadership is to step into the turbulence, define a clear vision and align it with clear purpose, while providing constant communication and authentic actions with customers, employees, shareholders, and other constituents.*

Bob Eichinger and Michael Lombardo, co-founders of Lominger International, report that "Sound and inspiring mis-



sions and visions motivate and guide people on how to allot their time and how to make choices." In *Good to Great*, **Jim Collins** explains that the preservation of "core ideology," a combination of Core Values and Core Purpose, is characteristic of enduring companies that go "from good to great to built to last." Collins explains that there are not necessarily any "right" or "wrong" values, but there is the need to have them and to align with them. *Core Purpose*, a "reason for being beyond making money," is the partner of *Core Values*. "Enduring great companies preserve their core values and purpose while their business strategies and operating practices endlessly adapt to a changing world."

However, to stay connected to their rock-solid values and purpose, leaders must comprehend and articulate, on a moment's notice, their *Core Purpose*. A leader with purpose gives people a reason to connect to something bigger than themselves; a leader without purpose

may have positional power but lack people with the desire to go the extra mile. *Core Purpose* is the deep impulse we all have to make a difference. When we align with our purpose, our voice is strong, our energy is optimal, our gifts are shared, and our service passionate.

*Core Purpose frames all our life and career experiences into a meaningful whole.* When we understand purpose, all the challenging experiences of our lives serve to forge identity, character, and meaning. Although life may be challenging, every experience becomes our teacher, and every challenge a chance to learn and live more purposefully. When we lack purpose, circumstances dominate our awareness and overshadow our reason for being. Life tends to lose connection with its true nature. Teilhard de Chardin wrote, "We are not human beings having a spiritual experience. We are spiritual beings having a human experience." Purpose is the impulse of life seeking expression; awareness of it allows us to see our lives more clearly and lead more powerfully from the inside-out.

*Core Purpose* may be *the most practical lever for impactful leadership*, and an effective life, because *purpose is transformational*. It converts average-performing teams into highly spirited, effective ones. It transforms employees, team members and customers into partners; managers into leaders; and *leaders of organizations into leaders of life.*

During a crisis, purpose comes to the pragmatic forefront to bring us to a new way of living, leading, and contributing. As leaders, we often try to miraculously (and usually hopelessly) avoid crises with plans detailed from A-Z. A leader of purpose does not fear crisis, but accelerates into it so he/she can drive meaningful change. *Managers aspire to manage change; leaders of purpose step forward to accelerate change.*

*Embracing the purposeful change of our lives is the key to creating more dynamic, life enriching futures.* In his book, *Beyond the White House*, Jimmy Carter writes: "My best years are those I'm enjoying now." I am struck by his sense of purpose-in-the-present versus living-in-the-past, and his personal identification with *human contribution* versus *elevated position*. The Carters are examples of value-driven people, who live their lives authentically and deeply connected to their purpose—regardless of title, position, or recognition. LE

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**ACTION:** Identify your core purpose.



## Sustainability

*Commit in four ways.*



by Kathleen Miller

MANY OF US WHO ARE still in business, having survived the great recession, were caught off guard. Our investments lost value, and our certainty about our futures blurred. Many of us have faced financial insecurity and encountered *unwelcome surprises* on several fronts. As we look to the future, we see a world fraught with uncertainty concerning the economy, price and availability of energy, and the effects of global climate change on our businesses and lives. These, and yet-to-be-seen challenges, are putting our resilience to the test.

While the future is *always unknowable*, the outlook for the next decade is more ambiguous than ever. Our dilemma is to determine how to create a future within the context of uncertainty.

Rather than bemoan their plight, visionary leaders seize opportunities that hard times present for shaping businesses that are responsible, healthy and sustainable.

*Sustainability* can mean ensuring our companies' economic viability for the long term, maintaining an ecological balance on our planet, and committing to practices that are socially desirable, culturally acceptable and psychologically nurturing. The familiar concept of *Triple Bottom Line* captures the essence of all definitions. It implies company commitment to people, planet, and profits.

You may wonder how you can commit to anything other than the struggle for survival. However, *initiating movements toward sustainability will provide greater security*. As Andrew Winston states, "Survival and sustainability are not at odds. In fact, *sustainability is at the core of survival*. No company or society can last unless it cares for all of its resources and capital—human, financial and environmental."

When you commit to sustainability, you start creating a more robust and resilient organization—quick, nimble, vigorous, powerful, and healthy—capable of responding to challenges, focused outwardly toward markets,



adaptable and proactive, and prepared to seize new opportunities. You question the assumptions underlying your current strategies and likely modify plans frequently, assuming that the future will differ from the past.

*Resilient companies bounce back from setbacks*. While they are less likely to be caught off guard by change, they are aware that surprises will occur from time to time, and are prepared to absorb shocks and move on quickly.

*You become more robust, resilient and healthy by committing to sustainability in four ways*: 1) *saving money* by reducing waste and increasing energy efficiencies; 2) *mitigating risks* related to regulation, accountability, transparency, and energy; 3) *capturing customer loyalty* by connecting through common values pertaining to people, profit, and planet; and 4) *attracting, retaining, and engaging talent* by creating a *strong purpose* and committing to *sustainable practices*.

Stakeholders—investors, boards of directors, customers and prospective employees—are evaluating companies based on their commitments to *corporate social responsibility*. People perceive companies that are *rigorous and thoughtful* about what they do in terms of sustainable practices to be *rigorous and thoughtful* about the quality of their products and everything else. And unless stakeholders have confidence in your company, you're unlikely to win their allegiance and loyalty.

Equally vital to company health is the level of *internal trust and engagement*. Drops in revenue or shifting market forces can either drive wedges between people or lead to stronger internal bonds. When trust is low, people seek their own interests instead of acting with concern for the company. Selfish actions lead to a downward spiral. Companies that commit to a strong, meaningful purpose, such as *sustainability*, are likely to attract and retain passionate and loyal people who rally around challenges.

When people sense a *strong purpose* in the enterprise, they're more likely to assume responsibility without question and commit to do what has to be done. In uncertain times, *embrace the challenges in front of you* and seize opportunities. *Moving toward sustainability will render you more fit to respond to the unexpected and to make the future that you desire.* LE

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**ACTION:** *Seek sustainability to be more resilient.*

## Beyond Clarity

*It's time for inspiration.*



by Chris Rice

YOU LIKELY HAD TO make some tough decisions about layoffs and investments recently. Maybe you cut your salary and worked twice as hard for half the return.

While you might think you were a hero last year because you kept the company afloat, you've discovered that loyalty is fleeting. Employees remember how last year you piled on the work, discouraged time off, cut comp and benefits, laid off their friends and canceled the perks. Even if your competitors treated their employees worse, the grass looks greener on their side.

We've identified three areas where leaders excelled during the recession:

- **Leaders made smart business decisions.** People report feeling good about the decisions their leaders made and expressed confidence in the businesses. One leader stated, "We made all the right decisions, but it's still hard."

- **Leaders were clear.** In the downturn, leaders informed people of the choices they were making. Whether they were planning layoffs or furloughs or reduction in pay, employees seemed to know what their leaders were doing and why. This clarity built support for the actions, no matter how painful.

- **Leaders were visible.** Town halls, road shows, emails, newsletters, webcasts—whatever the modality—leaders were meeting with their people and getting the word out. Driven by a sense of urgency, leaders stepped up.

*Smart, clear and visible* may describe the leaders of the past 18 months, but *inspiring* does not. In fact, during the downturn, most leaders were sad and shocked, in survival or protective mode.

Now, *leaders need to shift from clarity to inspiration* to provide a sense of excitement, passion, and purpose. The mantra of *at least I have a job* has become *how will I get all this work done?* With workers stretched to their limits, leaders must not only be clear and visible, but breathe new life into the troops.

### Five Actions Leaders Can Take

Senior leaders can now turn from "surviving" to creating an inspiring vision of the future, rallying the troops

around this vision, and helping people move forward. Take these five actions:

**1. Communicate the future vision.**

Create excitement and trust in your leadership. Create shared context for those who have moved through the time together so they can look back with pride. You should highlight the initiatives of 2010 and create faith that your company is on the right path. Avoid uninspiring declarations around sales growth and increased revenues. Focus on the mission, values, and purposeful culture that will get you there.

**2. Talk about careers again.** The top reason employees leave a company is a *perceived lack of career opportunities*. Don't think that your leaner organization can't satisfy those cravings. You have more priority initiatives than employees, so there are many opportunities for individuals to build skill sets, acquire valuable experience, or try something new! When you scratch the surface of what people mean by *career* you often find it's all about meaningful work and personal growth. Today's careers are built not on promotions but on assignments.

**3. Make it personal:** Often leaders appear stoic, tough, and unemotional. This approach doesn't resonate with people who have seen friends and relatives downsized. By hearing leaders speak authentically, employees can get a real sense of what it has meant to a leader and how much the contribution of every individual counts.

**4. Discuss values:** the company's and the employees'. Recent brain research reveals that talking and writing about values helps quell feelings of helplessness and lack of control.

**5. Forget about performance reviews—do engagement reviews.** You already fired people who needed their performance fixed; now focus on *engagement*: Fully engaged employees are at their peak—of maximum contribution and maximum satisfaction. When you focus on engagement, results and retention follow. Engagement reviews are different in tone from appraisals. There's more dialogue; both managers and employees are likely to receive a rating.

Clarity, visibility, and aptitude were key skills in the emergency-response of 2008-10, but they won't enable you to return to growth. You'll need to *inspire people with a compelling picture of a bright future*. As tempting as it may be for you to *relax* as revenue rises, now's the time to *inspire*. Your retention depends on it. LE

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**ACTION:** Keep your A-players in 2011.

## Think Inside the Box

Focus on important things in it.



by Scott Milligan

CREATIVITY AND INNOVATION in leadership are vital today. Leaders who focus strictly on *conducting transactions* miss opportunities for growth.

**Inspiring people is a key role of leadership.** And, leaders must take a *proactive approach to change* in order to keep their team on top of their game. No single department or entity owns the creative process—each area brings value.

*As leaders, we are telling a story about what we value* through our actions and behaviors daily. Our leadership story needs to be consistent. Walt Disney was always aware of how he was living his story. To keep us humble, and always trying to improve, Walt would say, "I only hope we remember that this was all started by a mouse."

The responsibility of a leader is to *translate the mission and goals into a simple story that is reinforced daily*. Whenever someone speaks about creativity and innovation as it relates to leadership, the phrase *think outside the box* is often used. We challenge our clients worldwide to *think inside the box* because *there's always a box*.

**The box is the vision** (who you want to be), **the mission** (what you do), **the customer** (for whom you exist), and **the essence** (how you want people to feel about your products/services). When you know what is critical to your box, you can focus on things that are important, save time and resources, and inspire innovation. Our role as leaders is to *provide the direction and support that our teams need to expand that box*.

**At Disney, we look to our heritage to provide guidance and inspiration.** On the 50<sup>th</sup> anniversary of the first full-length feature animation, *Snow White and the Seven Dwarfs*, Ken Anderson, the film's art director, told how Walt Disney introduced the concept of making a feature film using animation. Theater guests would *pay* to see this animated film, not just see free cartoons. To inspire his team, Walt gathered 40 senior team members together after hours, in theater-like setting, and spent three hours acting out



his vision. "He acted it out *better* than we put it on the screen," said Ken. "He played all the parts and sold that story to us." In 1937, when ticket prices averaged 17 cents, the Oscar-winning film grossed \$8 million! Walt and his talented artists clearly could *think inside the box*. They were doing something new, but *they never lost sight of the mission*.

**So, what's critical to you?** How do you define your box, and how can you work inside of it? I'd like to offer two tips from Disney on how to do this:

**1. Foster diversity—of perspective.** At Disney, we seek cast members of different ethnicities and seek diversity of *perspective*. Sadly, some leaders think only about *diversity* as it relates to *compliance*. How do we inspire people to look beyond compliance and embrace diversity? We help Disney Institute participants draw *creativity*, new *perspectives*, and new *ideas* from diversity.

Disney cast members maintain several Diversity Resource Groups (DRGs) that are not exclusive to members of the groups they represent; rather, they help the entire organization serve our customers better. For example, our Cast-ABLE group provides support for

advocates of people with disabilities, but they also proactively assist our designers, our Imagineers, with ideas and suggestions how to make attractions, shows, and facilities more accessible. By thinking beyond simple compliance with ADA regulations, we look to *optimize the experience for our cast and guests*.

**2. Be a GPS.** Pretend that you're driving along with a GPS device on your dash. You've programmed the destination for your journey, and are monitoring progress. Unexpectedly, you make a wrong turn. Does the voice on the device criticize you, or warn you that if you don't follow directions, your trip will be terminated? No. It simply says, *recalculating*, then gives new advice.

As leaders, our role is to have a clear view of the destination. No misstep or change should deter us from providing the direction, guidance, and help team members need to optimize their journey.

*All leaders tell a story about what they value.* Inspiring leaders develop a collaborative culture of people who provide innovative products and services to gain a competitive edge. LE

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**ACTION:** Think and act within the box.



# Choices and Acts

*Strive to be a real leader.*



by Graham Jones

FOR SENIOR LEADERS, recent years have brought an intriguing quandary: keep your head down, stay out of the firing line, and play it *safe*; or, contribute to the health of the organization by stepping up to be *real* leaders.

## Seven Choices You Make

Being a *real* leader is not easy; hence, many people go for the easier option of *safe* leadership. If you opt to be a *real* leader, you make *seven choices*.

**1. Your choice to take on the pressure.** Your choice to take on the *visibility* of *real* leadership means that you'll be exposed to relentless pressure that can cause you to feel isolated, lonely, and vulnerable. During economic downturns when conditions are tough, you'll be stretched to the limits of your capability and resourcefulness. At times, you can't see beyond the pressures that your responsibilities and accountabilities bring with them. You'll need to remind yourself why you've chosen this path—the *internal drivers* that provide positive challenge, the change that you bring about because you have the guts to do it, the development you see in your people, and the care you provide that makes your people feel valued.

**2. Your choice to be accountable when things go wrong.** By being a *real* leader, the buck stops with you! The failures of your people are *your* failures—you are accountable. Have the courage to seek to understand the causes of failure so that you can learn from them and take your learning forward.

**3. Your choice to accept that you'll make mistakes.** You are expected to innovate and take calculated risks. You will sometimes get it wrong and make mistakes. These are what will make you a better and stronger *real* leader as long as you see mistakes as a key part of your learning and development.

**4. Your choice to do what is right.** You are responsible to make difficult decisions that might not be popular, but it's the right thing to do. You know that *no matter how hard you try, some people will be unhappy with your leadership*. Some might even think they can do

the job better than you. No matter what, tackle the hard issues head on.

**5. Your choice to drive change.** No individual, team, or organization can ever stand still. Sustained success is underpinned by constant change that takes you to the next level. As a *real* leader, you lead by example in driving continuous change. Encourage *collective problem-solving* among your people because you can't do it all on your own.

**6. Your choice to be a role model.** Role modeling is a critical part of your role as a *real* leader. Role-model what you want to see and hear in your people, and also role-model the aspirations of the organization. If you want your people to raise their performance bars, first raise your own. Show them that you're hungry for developmental feedback.



And recognize and celebrate success in a way that inspires them to want more.

**7. Your choice to develop the people you lead so that they may some day be your boss.** Your choice to empower and coach your people, encouraging them to be creative and innovative, will enable them to make a bigger contribution to achieving your vision and help their individual development as they pursue their own aspirations. The best of them may end up being your leader! Take huge satisfaction from this.

## Seven Performance Actions

*Real* leaders create environments where high performance is inevitable and sustainable. To do this, take seven actions:

**1. Accept that you can no longer do all the things that got you to where you are.** Many people are promoted to leadership positions because they are functional experts. They like being involved in detail because they are good at it. But, leadership is about *leading people*, not managing a *function*. Your role is to

create the conditions for your people to thrive. Minimizing constraints and maximizing supports for your people will help them deliver the performance you are now *leading*, no longer *doing* yourself.

**2. Identify and communicate a compelling vision.** Your people want to know where you intend to take them. Figure out what your vision is and communicate it in a way that it makes sense and also demonstrates a passion that will inspire your people to follow you and find a way of delivering it even in the most trying circumstances.

**3. Get the strategic focus right.** You'll need to manage the dynamic tension of *current* versus *future* focus. Your responsibility is to focus on the longer-term—the innovation and well-being that *the future health of the organization depends on*. Of course, your focus may be dragged into day-to-day details, especially when times are tough, but *don't get stuck there*.

**4. Ensure you have the right people in the right roles.** If you are to stay out of the detail, you need to have people with the appropriate knowledge, skills, and experience in the appropriate roles. Achieving this will give you the space you need to do your job as a *real* leader.

**5. Clearly define and communicate what is expected of them.** Having the right people in the right roles is insufficient—they *must know what you expect from them*. They want to know what their short-term focus should be and how their performances will contribute to achieving the longer-term aspirations and vision of the organization.

**6. Have the courage to let go.** If you have the right people in the right roles, and they know what is expected of them, then have the courage to place your confidence and trust in them to deliver. This will feel strange at first as you struggle with relinquishing some control. And it won't be possible before you have the confidence and trust in yourself to pass it on to your people.

**7. Balance vision, challenge, and support.** Your day-to-day role as a *real* leader is to *remind people of the vision, challenge them to deliver against it, and support them in doing so*. If you can get the balance right, you'll create a culture where the potential of your people is unleashed and high performance is inevitable and sustainable.

Being a *real* leader is energizing and enjoyable, providing you with a *great sense of satisfaction and achievement*. LE

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**ACTION:** Choose to be a *real* performance leader.

# Spark, Flame, and Torch

*The role of every leader is to be inspiring.*



by Lance H. K. Secretan

THE 1960S WERE A TIME of upheaval, renewal and hope. Great energy was invested in defining and defending society from imminent dangers—war, ideology, intolerance, politics, corruption, ecological ruin, and the collapse of ethics. But soon the era of greed returned, and we enjoyed 30 years of unrivaled material success. Of course, this came at a price; yet as the dangers grew, we were distracted by our frothy lifestyles and our conviction that any problems could be fixed tomorrow.

In the new millennium, wake-up calls began to sound, more insistently—9/11, the Great Recession, ecological collapse, moral and ethical implorations, the crisis of health care and aging, the disillusionment with big business, and a general social malaise.

In my book *The Spark, the Flame, and the Torch* I offer an antidote—**Higher Ground Leadership (HGL)**. For 50 years, our preoccupation with the study and practice of leadership may have been misplaced—there is no shortage of leadership, but there is a dearth of inspiration. Leaders who can't inspire are ineffective. We must first learn to be inspiring, then how to be a leader. Paradoxically, we don't teach people how to be inspiring. We teach how to motivate, and motivation rests on fear, gratifying my needs and controlling and manipulating the behavior of others, whereas inspiration is based on love, service and willing the good of another. We've come to believe in fear-based motivation, but the notion that we can best get things done through coercion, fear and aggression is an illusion. To get anything important done, we need to inspire one or more people to agree.

## The Spark

All of us need to be inspired. We need to be hopeful, confident in the future, excited about our role, passionate about what we do and who we are—we need to fire up our will in three ways:

1. **Identify our North Star**—our *Destiny* (why we are here), *Character* (how we will choose to be while we are here), and *Calling* (how we'll use

our gifts and talents to serve). When we stand in the presence of a person with a deep inner awareness of their *Destiny, Character and Calling*, we stand in the presence of an inspiring person. Their passion radiates from within and touches and inspires us all.

2. **Build inspiring relationships**—by understanding the *learning and energy preferences* of others and connecting with them in those *sweet spots*. When we thus connect, we *inspire* people; and *because they are inspired, they inspire us*. We learn in four different ways: 1) through our imagination and ideas, 2) through interaction, 3) through measurement and analysis, and 4) by doing.

3. **Create a dream**—*greatness is achieved by people who follow their dream*. Our infatuation with *mission, vision, and values statements* has led to a homogeneity that saps inspiration. We tend to have *interchangeable mission statements*



that most people can't remember. But a *dream* builds great companies, cities and countries; results in extraordinary performance, elevates standards, and creates *magic*—and *magic* is inspiring.

## The Flame

Once we become *inspired*, we can be *inspiring*. We can't give what we don't have. As we research *ineffective* leaders, we learn that followers don't respect and are not inspired by leaders who are *cowardly, phony, self-serving, lying, fear-based and incompetent*. If we want to be a *flame* in the world and inspire others, we must be: *courageous, authentic, serving, truthful, loving, and effective*.

We call these **CASTLE Principles**. When we are a *flame* for people, we inspire them to be a *flame* for others.

**We all seek authentic leadership**; we yearn for—and deserve—something better. We can make our points in ways that make people feel better; we can honor the other person; we can set the

example and model—daily—behaviors we wish to see in a civil society.

## The Torch

Having *inspired ourselves* and *inspired others*, we then *inspire the world*. We do this by creating a legacy, growing others, by teaching, mentoring and leading. In organizations, we do this through *coaching and performance management*.

• **Coaching**. In most fields, coaching is a content-based mixture of teaching and nurturing. But in *life coaching* and *executive coaching*, we have unclear measurement criteria; we don't know what is working; we can't determine ROI; and we labor under the misapprehension that people who have never led others can coach people who do and that wisdom lies solely within the person being coached. Also, we create artificial hurdles for many coaches with *bogus accreditation requirements*.

• **Performance management**. I've never heard a leader say, "I can't wait for performance review season." Nor have I ever heard anyone say "I loved my performance review process." We need a new approach that will help us to help others grow and be inspired to carry the torch into future generations.

In organizations, *most human activity can be divided into one of three activities*: 1) **Mastery**: doing what you do to the highest standards of which you are capable; 2) **Chemistry**: relating so well with others that they choose to associate with you; and 3) **Delivery**: identifying the needs of others and meeting them. These **Primary Values** are propelled by three **Accelerators**: *Learning, Empathizing and Listening*. If we take a snapshot of these *six variables*, couple them (*Mastery and Learning, Chemistry and Empathy, Delivery and Listening*) and measure their relationship, we can determine if we are growing, and how effectively. Now we have a *dynamic scale*—the *Vector*—that tells us how high you wish to aim, how close you are to your goal, and where you need to grow. The result is a *dialogue* that is *non-confrontational or judgmental* and leads to growth and inspiration.

**HGL describes what it takes to be inspired (Spark), inspire others (Flame), and create a legacy (Torch)**. As leaders, we need to ensure that *what we do, what we believe in, and what we think and say* is inspiring. We need to *be more inspiring* in all aspects of our lives, to *live as models* for others, *being*, as Gandhi urged, *the change we wish to see in the world*. LE

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**ACTION:** Be more inspiring in your leadership.



# Beyond Best Practices

Think in terms of next practices.



by Patricia Wheeler and Marshall Goldsmith

IN A MEETING WITH HIS SENIOR TEAM, one CEO asked: "What's the primary leadership gap in our company?" After listening to answers, he summarized: "We're too focused on what made us successful in the past. We need to look outside our boundaries to mine the collective intelligence that will help us solve our thorniest problems."

If you think you have all the answers, you'll likely lose because you face a dizzying array of new challenges, conditions, markets, and competitors.

**Here's the leadership challenge:** judgment is not simply a matter of choosing right versus wrong alternatives. The tough decisions are those in which you must weigh one right alternative versus another right alternative or one good option against the best.

Rather than replicate best practices, you need to create Next Practices. As Vijay Govindarajan says, "Strategy starts to decay the day it is created." Gary Hamel notes that single biggest cause of failure is over-investing in what is, rather than investing in what might be. Lawrence Levin says: Top Teams focus simultaneously on the Now and the New. The leaders of Top Teams deliberately manage this paradox.

**How can you discover and develop Next Practices?** It comes from developing internal diversity and exercising the discipline of looking outward. Too often change agents are recruited because of their differentness, only to be shut down by a prevailing culture focused first on familiarities and similarities.

**What actions can you take** to mine collective intelligence and create robust Next Practices? Try these four things:

- **Be willing to ask.** Do you create a criticism-free zone in which people can ask questions and express ideas without fear of reprisal? *Is there somewhere that out-of-the-box ideas can take root?*
- **Be willing to listen.** In your conversations, what is the ratio of expressing versus listening? Do you enable others to shine and develop their leadership?

- **Be willing to learn.** Are you expanding the scope of your knowledge, bringing in ideas outside of your industry or geography? Learning keeps your brain agile and resilient, and agility is often the key to competitive advantage.

- **Be willing to create and apply next practices.** Understand the limits of Best Practices and acknowledge the need for Next Practices. By practicing the discipline of creating Next Practices, you and your team can sustain success.

## Over-Commitment Kills Mojo

All this must be done in wisdom—you can't run faster than you have strength. Yes, "if you want to get something done, ask a busy person," since a busy person is usually well organized and not inclined to waste time or get distracted. But there's a fine line between taking on a lot of work and taking on too much.



**It's easy to see how leaders fall into this trap.** If you're good at what you do and like your job (bursting with Mojo), everybody wants to rub up against you. They want you in their meeting. They seek your opinion. They ask you to run a project. *People with high Mojo are assaulted with opportunities.* It's how junior employees advance quickly—their ambition leads bosses to pile on the work (and they never say stop until it's too late).

**It's even easier to see how self-employed people fall for this.** When you don't have a steady paycheck, every opportunity looks like your last payday. So you say yes to everything. But if you say yes when you should be saying no, you experience burnout (no mojo). If you chronically over-commit, your sagging spirit inside becomes obvious. Your once enjoyable job can become rote, your execution sloppy and half-hearted. Ironically, over-commitment of time results in appearing under-committed in spirit, which is rarely appreciated by

your customers and colleagues.

You may fall into this trap because you fear looking weak, as if you can't handle any challenge that comes your way. Maybe you can't resist the siren call of being wanted, as it's a validation of your skill and proof that you are loved and needed. Perhaps with all your Mojo, you believe you have superhuman qualities, and nothing is too much. Over-commitment is a stealth Mojo killer.

**So, before you say yes to that next request, think of the impact on your Mojo.** Are you doing what is right, long term—or just saying what makes others happy in the short term?

## Is Anger Driving Your Ambition?

There's nothing wrong with being ambitious, unless the driving force of your ambition is anger or other maladaptive purpose. Anger harms, corrodes, and ruptures the sanctity of healthy interpersonal relationships, while enhancing chances of an untimely, unforeseen, and unexpected vocational burnout.

Are your efforts and energies toward endeavor, achievement, and success propelled by anger? Are you driving yourself and everyone else nuts because of an unmet psychological need or nagging personal fear? Here are four warning signs of anger-driven ambition:

**1: Self-isolative tendency.** You spend much time alone with a running internal monologue. You are bewildered by the actions and words of others. No one else does anything right, and you find others' attempts to be helpful patronizing.

**2: Absolute rejection of validation.** Any validation agitates feelings of paranoia, suspicion, and insecurity that what you are doing is not good enough.

**3: Interpersonal relationships are devoid of emotion.** You're detached from emotional meaning and value in interpersonal relationships. Your highest priority in any interaction is the extraction of valuable and useful information.

**4. Winning at all costs.** You are at the winning end of every transaction and exchange. Your ideals have evaporated; your empathy has eroded.

Study these four behavioral warning signs. Gauge how you feel about yourself and how you are treating or possibly cheating others. *Are your actions guided by happiness and meaning, or anger and ambition?* Your answer could open the door to a better future for you and those who live and work with you. **LE**

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**ACTION: Focus on both the Now and the New.**

# Lead by Choice

Your choices affect outcomes.



by Sheena Iyengar

WHAT WAS THE LAST good thing that happened to you?

Maybe you found a great job, made a new friend, or won a competition. And what about the last bad thing? Did you have an accident, suffer a serious injury, or lose something of great value?

When these things happen, whom or what do you attribute them to? You may think that your life is shaped more by fate or chance than by choice. Do you believe that the universe, or some all-knowing being, has a grand plan for everyone? Or that there is no plan, and events occur randomly, often senselessly? Or that there is a plan, an imperfect and malleable one, that we design for ourselves and do our best to implement?

Regardless of your beliefs, choice puts some measure of control in your hands. Yes, you are subject to fate and chance—and you hope to be treated well by them—but you also make your own choices (and live with the consequences).

As Cassius said to Brutus (in *Julius Caesar*): Men at some time are masters of their fates: The fault, dear Brutus, is not in our stars, But in ourselves, that we are underlings. Might you become master of your fate through choice—no matter what the stars say?

This question weighs on leaders who are supposed to make things happen by recognizing a chance for change, developing a vision of the form that change will take, and then enacting it. This process is at odds with seeing the world as governed by forces beyond your control. Even though you can't expect to always succeed, you must believe you can make a meaningful impact through your choices.

But believing is only the start. You must also cultivate a better understanding of the nature of choice—how it functions, and how it affects your behavior—to make the best of it.

## Four Aspects of Choice

You're most effective when you know and internalize four aspects of choice:

**1. Choice is a state of mind.** To make a choice, first you have to see the choice, and this isn't always easy or natural. When Steve Callahan, an avid sailor,

set out in 1982 on a boat race from the Canary Islands to the Caribbean in a one-man boat he had built himself, he was looking forward to a great adventure. But within a week, his boat capsized in a storm, leaving him stuck in a leaking inflatable raft 800 miles from land with no supplies and little prospect of rescue. In his account, he notes: "I am captain of my tiny ship in treacherous waters; I have overcome almost certain death. I now have a choice: to pilot myself to a new life or to give up and watch myself die. I choose to kick as long as I can." Although Callahan was in a desperate situation, he decided he still had a choice and believed that his actions would make a difference. And, 76 days later, a boat discovered Callahan. Being the only person to have lasted more than a month at sea on his own, he was not only skilled but lucky. Seeing choice in the midst of a crisis is courageous, but it doesn't guarantee success or survival. However, the motivation it provides can help you turn the odds in your favor—and sometimes that's all



you need. When you feel lost, adrift, or unsure, whether at sea or at work, embracing choice can restore equanimity and give you the confidence to keep going.

**2. Choice is a currency.** About half of a CEO's daily job activities take nine minutes or less each to complete, while only 12 percent take more than an hour. On average CEOs engage in 140 tasks per week, any of which could require them to make a series of choices. So, leaders are constantly choosing. This is part of what gives them their power, but it can also compromise their performance if they take on more than they can handle. Many managers are reluctant to delegate choice to subordinates, perhaps considering them incapable of choosing well. But by being miserly with choice, these managers mismanage and demotivate employees by depriving them of choice, sending the message that they can't be trusted or haven't earned the right to choose. This is not to say that managers should shower their teams with choice. In fact, employees rate their managers as most competent when the

managers give them a moderate amount of choice. So, in distributing choice, be neither tight-fisted nor a spendthrift.

**3. Choice is intoxicating.** The experience of having choice is often pleasurable, but it can also make you sick. Just the right amount, and you'll feel happier, more capable. Too much, however, and your head begins to hurt, and you feel like you're drowning. You thrive when you feel in control, but more choice doesn't always enhance your sense of control. Depending on your level of tolerance for choice, a high dose may feel like knocking back a glass of liquid courage, or it could leave you dizzy and disoriented. The exact relationship between choice and control varies from person to person, and culture to culture.

In a study of Citibank employees, we asked everyone from tellers to sales reps to managers about their choices at work. Although they often had the same job responsibilities, executed in the same way, they felt they had different degrees of choice depending on their cultural backgrounds.

**4. Choice is a skill and an art.** Effective leaders are dedicated practitioners of choice. They look beyond hierarchy and re-imagine the modes and means of control. They question their choices and, when necessary, come up with new ways of achieving their goals. Choice has its limitations, and sometimes you may need to relinquish it to appreciate its true power. All of this requires practice because choice can confuse, mislead, and overwhelm you. Even natural leaders have to work at exercising choice to avoid being seduced by it.

To be the master of your fate, you must exercise choice judiciously and responsibly. Although choice motivates people, it doesn't ensure a good outcome. Through study and practice, however, you can learn to differentiate between choices that benefit you and people around you, and choices that interfere with or distract you from your goals. When it comes to choice, expect the unexpected because choice is an art—it does not look the same to all eyes.

You can learn from others, but you can't simply follow a formula or replicate their choices; leadership requires you to face yourself—to discover what you may not want to know, and use it to build a better future. LE

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**ACTION:** Exercise choice wisely.



## Leverage Yourself

Create a high-energy culture.



by Ken Blanchard

**F**EW WORKERS TRUST their leaders to look out for their best interest.

**Rebuilding trust has become a top priority for leaders.** A self-centered, *What's in it for me?* attitude robs organizations of the best that people have to offer. When employees perceive that leaders aren't forthcoming, they don't contribute *discretionary energy*.

Distrust creates cynicism, doubt, and anxiety, leading to off-task speculation and low productivity. Then people don't come *toward* something; they *pull back* and *withdraw*; they *doubt* rather than *cooperate*. Employees tend to leave places characterized by distrust, miscommunication, and dishonesty.

**To build or restore trust, you need to be aware of the four elements of the ABCD Trust Model: Able, Believable, Connected, and Dependable.**

**1. Able is about demonstrating competence.** Do you know how to get the job done and produce results? Do you have the skills—including equipping people with the resources and information they need to get their jobs done?

**2. Believable means acting with integrity.** To be honest in your dealings with people, you need to create and follow fair processes. People need to feel that they're being treated *equitably*—not necessarily *the same*, but *appropriately* and *justly*. Acting in a consistent, values-driven manner reassures people that they can rely on their leaders.

**3. Connected is about demonstrating care and concern**—focusing on people and identifying their needs, openly sharing information. This allows you to be seen as a real person that others can identify with and create connections.

**4. Dependable is about reliably following through on what you say that you'll do**—being accountable for your actions and responsive to the needs of others. If you promise something, follow through. And let people see that you follow through on your promises.

If trust is broken, you can rebuild it using the ABCD Trust Model. **LE**

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**ACTION:** Assess your culture using the ABCD model.

## Shoot at Something

Or you will likely hit nothing.



by George Hedley

**L**EADERSHIP IS SIMPLE. First, you need to

know exactly what *you* want, for your company, department, or team. I often ask owners, "What do you want?" They respond, "I want to make a profit." I ask, "How much?" "More." "More than what?" "More than I'm getting now." They don't know what they want; they lack a clear target.

**Examples of clear targets include:** "\$500,000 net profit per year." "Sales of \$1,000,000 per month." "Make \$50,000 on this job and get at least two referrals from the customer." Know what you want and communicate specific targets and deadlines. Only then can you develop a plan to get what you want. *More* isn't a target. *More than what?*

### Take Three Steps

To get what you want, take three steps:

**1. Know what you want**—and keep targets clear and simple. Admired companies have laser-like focus on what they're trying to do (Wal-Mart: *low prices*; Nordstrom: *customer service*; GE: *be number 1 or 2 in every business we're in*).

Most leaders try to do too much and be everything to everyone, instead of staying focused, doing what they do best, and only setting a few simple and attainable goals. You may think you know what you want, but daily you get distracted. Things go wrong, customers call with urgent needs, equipment breaks down, or people don't show up. These things take you away from your #1 priority—bottom-line profit, sales, or customer service.

**2. Have a written plan.** Leaders and companies without clear written targets and goals are used by those who have them. Those who have written goals achieve them. Those who don't, get the leftovers. I ask you, "Do you have a measurable target? Do you have three clearly defined goals? What do you want to achieve in 2011?" Few owners (only 30 percent) have written goals for sales, overhead, and profit. No wonder they struggle! You need a written plan!

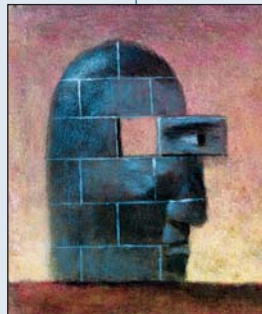
**3. Always track and make progress**

*toward what you want!* To keep on track, you need to *measure your progress*. Post charts and graphs. Use scorecards that show progress toward goals and actual results. Imagine playing golf without greens, pins, or a scorecard. After four hours, you'd stop and go to the bar and start drinking. There'd be no excitement—nothing to shoot for. No targets or score. Sound bad? It just sounds like most companies to me!

**What are you trying to accomplish?** To get the results you want, you have to *know exactly what you're shooting for* and *have a scorecard to keep track of progress*. When you hit a bad golf shot, you can make adjustments. In business, you've got terrain and obstacles to overcome as well. You need information and feedback to adjust as you go, and targets to shoot for, and a scorecard to keep track of progress. Give everyone visible targets, written goals, and a scorecard.

### Use Challenges and Incentives

As a construction company owner, I'm often amazed when I go out to a jobsite and ask the field leader, "When are you going to complete this project?" He says, "We'll get it done in a couple of months." I ask, "How did you come up with that date?" He says, "Well, I talked to the subcontractor's job foremen, and we agreed we could get it done by then." I ask, "Do you think you can finish it a week or two early?" He says, "We probably could." "Why don't you?" "Well, there's no real need. We're okay if we finish on schedule." I say, "Wouldn't this project be much more profitable if



you finished two weeks early?" "Yes, but it doesn't really matter that much."

**As a leader, start challenging basic assumptions.** Give people something to shoot for and a scorecard to track the progress. Offer competitive targets, challenges, and incentives such as: "If I give each of you \$100 for every day you finish early." You will then hear: "We can finish at least a week early."

**The best leaders identify what is wanted, draft a blueprint to achieve it, and chart the progress toward the goal.** They use incentives and challenges to get people focused to achieve desired results. Everyone wants to be a part of a winning team. Chart a path to victory, and watch them hit a hole in one. **LE**

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**ACTION:** Identify your performance targets.

# Say No to Yes Men

*Otherwise, expect the worst.*



by Michael G. Winston

**I**N HEALTHY ORGANIZATIONS, you hear the creative clash of conflicting ideas—the fire, spark, energy, and emotions that erupt when people *care passionately about doing the right thing* (for customers, stakeholders, employees, and society) *but disagree on how to get it done*. You witness creative synergy for transformative learning, idea generation, and problem-solving.

*In contrast, in companies that helped cause the global recession, the silence was deafening.* A CEO or executive proposes a course of action that many direct reports feel and know to be patently wrong. But they are mute. Their minds are racing . . . *who am I to challenge the CEO? After all, he's been right many times before. His rags-to-riches story is the realization of the American dream.* After much deliberation and angst, the would-be challenger keeps his thoughts to himself.

Many of these companies were once dominant. But *quiet acquiescence* and *groupthink* prompted a free-fall. Leadership practices were driven more by *arrogance, ignorance, and greed* than a clear, noble and compelling vision. When the dust settled, the global economy was in shambles. Little was left but *broken trust and shattered lives*.

In her book *Extraordinary Circumstances* about the demise of WorldCom, author Cynthia Cooper notes: “In trying to forestall and conceal the impending demise, some executives lost their way and led others astray as well. Once they had begun to deceive, they did not regain their footing. Whatever rationalization was applied to the deceit, it brought nothing but ruin.”

And in his book *The Foreclosure of America*, former Countrywide Financial SVP Adam Michaelson writes of the *marketing of a mirage and bad business decisions that brought the nation to the brink*. He describes the *excitement, groupthink, momentum and fear that squelch resistance, and the systemic power of the mighty current pushing the fish along*.

Michael Landon Jr., son of the famed movie star, stated: “It’s amazing how expedient people become *when it suits them, and when they make up their own de-*

*finitions of what constitutes moral behavior.*

Alas, it is an oft-told tale: the confluence of arrogance, ignorance, and hubris results in a mindset of invincibility. The feeling, even *certainty*, that market forces would not hurt them—that they alone would endure, *even dominate*—permeates the culture, despite evidence of markets panicking, shares plummeting, confidence crumbling.

*In turbulent times, people often huddle together seeking leadership and migrating to conformity.* A person voicing a dissenting opinion, negative comment, or cautious appraisal is often ostracized from the group. Non-conformity carries great risk. In stressful times, leaders rarely get objective feedback because *the messenger who delivers the unvarnished truth can get killed*. Thus, *groupthink* permeates the organization.

This dilemma worsens when Chairmen are also CEOs (*an inherent conflict*



*of interest*). The Chairman is responsible for leading an independent Board. The board’s responsibility is to shareholders (owners). The Board is entrusted with hiring, overseeing, compensating, and if necessary, firing the CEO. The result is often excessive compensation, job security, and limitless power. Who would dare challenge such a person?

*When the need for leadership, analysis, transparency and macro-management is greatest, we find empire-building, adherence to flawed strategies, a lack of healthy debate and destruction of shareholder value.* As employees tend to model the behavior at the top, these destructive practices cascade through the enterprise.

*A healthy culture encourages dissenting viewpoints and differing perspectives.* Ideas are evaluated based on *the quality of the idea, not the level of the idea generator*. Such a culture might have prevented the dangerous and embarrassing actions of Toyota and BP.

*Power and money change people; they tend to rationalize, yield to fear, and cave under pressure and intimidation from superiors. But without a minority opinion, who can save the company? The inability to accept or deliver the truth is about character, choices and courage.*

Here are *seven suggestions* to foster creative conflict and better decisions:

**1. Create and adhere to a clear, compelling vision, values, and culture.** A well-formulated *code of values and principles* provides a clear set of standards for conduct. It presents an *ethical and behavioral framework* to guide responses to challenging choices. Each person is responsible to respond to situations in a manner that reflects values in action.

**2. Encourage the minority opinion.** A strong culture nourishes *healthy debate and differences of opinion*. In meetings, ask your staff to express their opinions before you share yours, to *feel free to disagree* or surface an idea that is different from that of others.

**3. Encourage and reward true diversity**—the kind that provides a different perspective and makes a unique contribution. Select members based on *diverse styles, strengths, skills, and backgrounds*.

**4. Appoint a devil’s advocate** when discussing agenda items. Rotate this role to each team member. Encourage healthy debate about ideas and alternatives, but disallow personal attacks.

**5. Hold a “second chance” meeting.** Often groups rush for closure. After working an issue long and hard, they want resolution. If you *feel too good about feeling good*, revisit the issue again in a week or two. This *second look* will enhance the quality of decisions.

**6. Create multiple anonymous feedback channels.** Enable people to state their views freely, *without fear of reprisal*. You might have a *suggestion box* and bring up items from the box at weekly meetings (or in e-mail dialogues, surveys, and focus groups), and use them to stimulate discussion.

**7. Lead by example.** Walk your talk. Model candor, openness, transparency, and authenticity. In high-performing, healthy companies, you are expected to challenge the status quo; and doing so is viewed as an act of extreme loyalty. Avoid groupthink to tap individual and collective creativity and ingenuity. Surround yourself with people who tell you what you *need* to hear, even if it is not what you *want* to hear. *You then provide an example of excellence in action.* LE

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**ACTION:** Encourage dissenting viewpoints.



# Strategic Speed

Create a competitive advantage.



by Ed Boswell, Jocelyn Davis  
and Henry Frechette Jr.

**N**INE OUT OF 10 LEADERS BELIEVE SPEED is critical to success, but only four out of 10 believe they are faster than their competition, creating a gap that faster organizations exploit to achieve greater profit and sales growth.

*Companies that execute faster have an average of 40 percent higher sales growth and 52 percent higher operating profit.* Yet, most leaders fail to execute strategic initiatives on time, resulting in lost investment and missed opportunity.

*Strategic speed*—the ability to implement strategies quickly and well—is a vital area of management and a key difference between successful companies and also-rans. Leaders who don't know how to deliver value quickly, and sustain it through the next series of changes, risk falling further behind.

*At the heart of the gap is a tendency to overlook the key aspect of strategic speed—people.* Assuming that speed results from a focus on pace and process, many leaders focus on process reengineering and technology only to find their investments fail to yield results.

Fast companies focus on the third key factor in execution—the *skillful mobilization of people*. Although many leaders assume there is a trade-off between speed and “people matters” such as engagement, learning, and alignment, the data show the opposite—your organization will actually slow down if you ignore them.

## Three People Factors

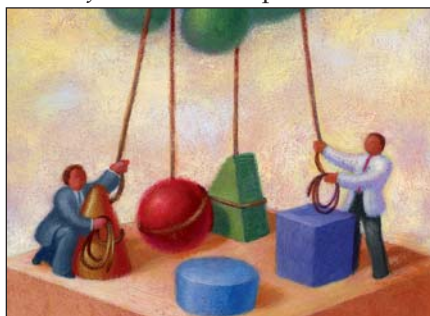
We've identified a *plan for developing strategic speed*, including three people factors that leaders must master:

**1. Clarity.** Despite the fact that strategy is often clear in the mind of the leader or leadership team, it often is unclear in the rest of the company. Clarity means your people can confidently answer four questions: *Where are we going and why? What are the external conditions we face? What are our internal capabilities? And, based on all*

*these factors, what should we do—and how should we act?* It's far more important that your employees can answer these questions than for you, the leader. Effective leaders spend relatively little time seeking clarity on their own and much time working with their people to develop a clear picture together.

**2. Unity.** Unity means that once people are clear on where they're headed, they agree wholeheartedly on the merits of that direction and the need to work together to move ahead. To execute plans and strategies quickly, you need to set clear direction, create a sense of urgency, reduce bureaucratic delays, and adapt nimbly to changing conditions. Disunity undermines everyone's efforts to do those things.

In business, *collaboration is the main driver of unity*. When leaders foster a *culture of collaboration*, spell out a com-



mon cause, and ensure that everyone has the necessary technical and soft skills to make their contributions, projects and strategies hold together.

To increase speed when launching an initiative, effective leaders bring together people from different divisions, roles, and geographies for strategy and training sessions. This is expensive and slow, and many people object at first. However, leaders regard this tactic as *critical* to reducing time to value and to increasing value over time. Speed is an unintended, happy consequence.

**3. Agility.** Agility is less a matter of *adapting your direction continuously* and more a matter of *being open to different ways to achieve the established direction*. Real agility isn't about heading north one day and east the next—that's *vacillation*. Agility is about heading consistently north, but being willing to use sails one day and the onboard motor the next, as conditions demand. *Agility is the willingness to turn and adapt quick-*

*ly while keeping strategic goals in mind and remaining true to your core principles.*

*Agility is not separate from clarity and unity.* The way leaders drive clarity and unity can also improve agility. For example, consider a leader who focuses on context (“Let's discuss and be clear on the business situation, our challenges, and what are we're trying to achieve”) vs. a leader who focuses on control (“This is what we're doing, here is the precise process we'll follow, now go do it"). The former is more likely to achieve clarity, unity, and agility.

## Leadership Practices

*Four leadership practices* are needed to accelerate your organization:

**1. Affirming strategies.** Ensure all people *know where they're going and are motivated to go there*. An *affirmed strategy* is sound, complete, clear, well communicated, and well understood by stakeholders. Leaders often expend much energy on formulating a strategy and expressing it in a statement that exists in a vacuum: incomplete, unexplained, unheeded, and insensitive to context.

**2. Driving initiatives.** Driving initiatives is about execution. Leaders often assume their job is merely to *sponsor* strategic initiatives. But clearly, *they must get behind the wheel and drive*. Many of the skills that support this leadership practice are *project management skills* (skills that executives need to master).

**3. Managing climate.** Climate is *what it feels like to work in a place*. Managing climate requires understanding its six dimensions (*clarity, standards, commitment, responsibility, recognition and teamwork*) and the tactics that improve it. If you can improve your climate, you'll boost employee motivation, improve their performance, and increase speed.

**4. Cultivating experience.** Most leaders know that *smart, skilled, experienced employees create success* and that *experienced employees and teams can move faster*; however, few leaders know how to cultivate the experience of their people—how to capture it, make it visible, refine it, and harness it to drive results.

As long as leaders fail to attend to people factors and incorporate value into their ideas about speed, the best they'll achieve is *superficial speed*: lots of activity, little forward motion. *Sometimes you have to slow down to speed up*. Leaders who learn that lesson can develop the greatest strategic speed. **LE**

Ed Boswell, CEO of The Forum Corp.; Jocelyn Davis, Forum's EVP; and Henry Frechette Jr. are authors of Strategic Speed (Harvard BP). This article is adapted with permission. Visit [www.forum.com/strategicspeed](http://www.forum.com/strategicspeed).

**ACTION:** Gain strategic speed to drive results.

# High Performance

Your leadership can help create it.



by Tony Alessandra

**P**RACTICING THE *Platinum Rule*—treating others the way they want to be treated by adapting to their behavioral style—can quickly make you a more sensitive, effective leader. Indeed, this rule can have a positive effect on every aspect of managing and leading. With each of the four behavioral types, there's a different way to communicate with them, delegate tasks to them, compliment them, correct them, motivate them, and counsel them. The *Director* style tends to be direct and guarded; the *Socializer* style tends to be direct and open; the *Relater* style tends to be indirect and open; and the *Thinker* style tends to be indirect and guarded. You can be more effective with all employees, regardless of their behavioral style.

## Where Power Comes From

Your power to influence employees springs from two sources:

- **Positional power** comes from position—you are the CEO or sales manager, and some power comes from being anointed by the hierarchy. Positional power is a starting point for influencing people, but the best you will get from them is *compliance*.
- **Personal power** comes from earning and developing it. It turns mere *compliance* into real *commitment, cooperation, and collaboration*. You can't really lead until you are genuinely accepted by those led. Thus, personal power—your skill in dealing with people—is crucial to you. If you honor your employees' individuality, their *essential differences*, they'll feel that they're on a winning team and will work harder and better for you. But you must *empower* them rather than *seek power* over them.

You can do that by learning to listen, observe, and talk to them. And then adapting so they'll feel important, wanted. When you put *The Platinum Rule* into action, you'll see less tension and fewer conflicts and have a more effective, motivated workforce.

## The Best Leadership Style

The best leader isn't someone with a

particular behavioral style, or some ideal blend of styles. Instead, the best leader is someone who realizes what a job or task requires—and then *does it!* That means working well with *all* behavioral styles in *all* sorts of situations.

As firms re-structure and put new emphasis on teamwork, leaders who understand behavioral styles will have a leg up. As *situational leaders*, they may wish to act in their natural style, using their intrinsic strengths. At other times, they may choose to adapt to others, using *The Platinum Rule* principles. Or, when they sense a clash of styles, they may opt to pick a third person to handle a certain situation, or to change the work environment—realign a worker's duties, alter deadlines, or revamp priorities—to allow people to play to their strengths (*you can't mandate productivity*).



## Organizations need all four styles.

You can't just say We're a sales organization, so we need all *Socializers*. Or 'we're an engineering firm, so we just need results-oriented *Directors* and *Thinkers*.' You need all four types, and you need them in the right spots.

In all cases, you (manager or leader) should be aware of your style and how it affects others. Being aware of the extremes of your style will enable you to become a leader, not just a boss, and make *your primary style* more palatable.

**Here are some ways you can hone your personal style** and become an effective situational leader:

- **If you're a Director**, ratchet down a notch. Remember that people have feelings, and that your hard-charging, know-it-all style can make people feel inadequate or resentful. Accept that mistakes will occur, and try to temper justice with mercy. You might joke about errors you make, rather than trying to always project a super-human image. You can encourage growth in

others by praising them when they do something well and by giving them some authority and then staying out of their way so they can use it. Whatever you lose in control, you're likely to gain in commitment and improved competency. Try not to be quite so bossy! Ask others' opinions and maybe even plan some collaborative actions.

- **If you're a Socializer**, your people depend on you for ideas, and coordination. So anything you can do to be more organized—making lists, keeping your calendar current, prioritizing goals—will pay big dividends for you *and* them. Nothing's so dispiriting as seeing the boss drop the ball on important matters. If you fail to follow-up, procrastinate on tough decisions, or make pledges you don't keep, your people will lose faith. Even though you don't do those things purposely, they'll see you as letting them down. Your charm and warmth can't compensate for unreliability. Realize that conflicts will occur. Try to deal with them up front, not sweep them under the rug. Organize your time better, and keep socializing in balance with your tasks.

- **If you're a Relater**, you're well-liked. Your goal should be to become a more *effective, well-liked boss*. Learn to stretch by taking on more or different duties and trying to accomplish them more quickly. You may want to be more assertive and more open about your thoughts and feelings. Experiment with a little risk, a little change. Being sensitive to people's feelings is one of your strengths. But you can't be knocked off balance by the first negative comment or action that comes your way.

- **If you're a Thinker**, your high standards are a two-edged sword. Your people are inspired by your *quest for excellence*, but often they feel frustrated because they can never seem to please you. You might lessen and soften your criticism, spoken or unspoken. You *can* seem so stern sometimes! Ease up on your need to control. Walk around; spend more time with the troops, chatting at the water cooler or lunchroom. You can have high standards without requiring perfection in each instance.

Whatever your style, *being adaptable can help you to build bridges to your people and make them feel valued*. By learning to best respond to their interests and concerns, strengths and weaknesses, you'll get the most from your people and leave them more satisfied. **LE**

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**ACTION:** Hone your personal leadership style.



# People Leadership

Get to know your people better.



by Steve Arneson

THERE ARE MANY WAYS to look at leadership, but there's one thing we can all agree on—*leadership is about people*. You don't lead systems, budgets, plans, or real estate. If you're a leader, you lead people. In fact, leadership is *all* about people. As a leader, you enlist other people to help you get things done. The truth is that leaders need people as much as people need them; after all, it's hard to get anything of great magnitude done by yourself. Knowing this, good leaders work hard to empower, develop, and take care of their people. It all starts with getting to know them—beyond their strengths and weaknesses as employees.

**How well do you know your people?** If you have direct reports or an extended team, you need to understand *what makes each member unique*. Where do they come from? What gets them excited? Why do they work for you? What will unlock their potential? People want to be connected to the leader (and company) in ways that go beyond the simple transactions of work. *They want to belong to something important and meaningful, and they want the leader to recognize them as individuals*. If you don't take a personal interest in your people, you won't fully capture their hearts and minds—you may get their commitment to a particular task, but you won't build a high performing team that is fully dedicated to you and the mission. *True leadership starts with taking a genuine interest in your people*.

## Ask Five Questions

To get to know your people better, ask them questions about themselves. This goes beyond asking about their weekend. It means understanding where they've come from, what turns them on about the current role, and where they want to take their careers. It requires that you *take an interest in them as individuals, and learn more about what they value beyond the workplace*.

Here are five questions you can use to get to know your people:

**1. Where (and how) did you grow up?** Most people like to share their

personal history: where they were born, how they grew up, what their parents did. Take an interest in your employees' backgrounds. Not only is it respectful, but you might learn something useful in terms of managing them. For instance, people who grew up in rural areas tend to have deep-seated views on values and work ethic; people who grow up in big families are usually comfortable mixing it up with peers, etc. Asking people about their roots is a great way to learn about their motives and values, and shows you care about them.

### 2. What are your hobbies?

What do your people like to do when they're not working? Knowing a little about what gives them joy outside of work helps you relate to your team members more effectively. You might be able to draw a connection

from a work project back to something they care deeply about in their personal lives. Taking an interest in your people's lives outside of work shows you care about their work-life balance and their particular interests.

**3. Who's the most important person (people) in your life?** Find out who they are and learn names. If your direct reports have children, learn their names, as well. Knowing these things can help you be sensitive to personal challenges outside of work that you might be able to help with; again, with all that your people do for you, knowing who is important to them is the least you can do.

### 4. What are you passionate about?

What motivates your people? Some people are really into sports, or politics, or volunteering in their communities. In your group, there might be a fascinating story about someone who runs her own non-profit organization—what could you do with that information? You can learn a lot about people if you know what really turns them on, and it might just unlock some real innovation for you and the team.

**5. What do you want to do with the rest of your life?** There are countless insights here—including whether you can help them make their dreams come true. What if you learned that someone always wanted to live abroad—and

you had the ability to make that happen with a transfer or job rotation? Don't just focus on what they are doing now; take an interest in where they want to go with their lives and careers, and then try to help them get there.

## 1:1 Interviews

If you're a new manager or taking over a new group of people, set up a series of 1:1 interviews with your team members. Get to know them as people, not just employees. You can do this—no matter how many people you have in your group. But what if you've been with your team for awhile? The technique is the same: 1:1 interviews. Even if you've always taken an interest in your people, you can still use this technique to gain a *better* understanding of their backgrounds and interests.

If you've never shown much interest in your people before, you'll encounter some skepticism. In this case, you have only one choice; you need to come clean about this being an area of development. Explain that you want to change this aspect of your leadership, and that you'd

like their help. If you really want to change your approach, you may need to eat a little humble pie and admit this was a shortcoming in the past. It won't be easy, but if your reputation is one of not caring about your people, asking these five questions will go a long way toward changing that image.

**Make this a purposeful exercise.** Take notes as you conduct the interviews. Buy a special notebook or a stack of index cards just for these interviews; demonstrate that you care about remembering their stories. Then, use the information. Ask about loved ones. Connect stretch assignments to people's passions. Use hobbies as a way to personalize recognition. Look at promotions or moves as a way to help steer careers toward life goals.

**When you make a sincere effort to learn these five things about each person who works for you, you'll become a better, more effective leader.** Think of any boss you've had. Didn't you enjoy working for those who took a genuine interest in you as a person? Be a leader who *truly cares about his people*—you'll be amazed at the difference it makes in how others *experience your leadership*. **LE**

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**ACTION:** Ask these five questions.



# Strategic Advantage

*You can drive it through learning.*



by Amy Bladen and Stephen John

THE MODERN HR LANDSCAPE IS PEPPERED with buzzwords such as *learning mindset* and *strategic learning*, and new titles such as *Chief Learning Officer* (CLO). And, we talk of building *learning organizations* and creating a *culture for learning*. Still, skeptics question whether this focus on *strategic learning* is a passing fad in search of business-related validation, or a legitimate source of competitive advantage.

We see *groundbreaking potential for organizational learning* not only to influence, but to *drive* strategic advantage. Why? There's been a sharp transition in the way that *success* is defined, shifting from the *bottom-line results and efficiency perspective* to an approach emphasizing *judgment and innovative thinking*. The sole focus of the past, *getting things done right*—replete with the consequences of *not getting things done right*—simply doesn't suffice in a knowledge-based economy. *How can people innovate based on new knowledge if they're afraid to make mistakes?* This shift has raised the stakes on an organization's ability to learn, adapt and reinvent itself to stay on top of its competition.

Ray Stata, former CEO of Analog Devices, a company that experienced near *revolutionary growth*, stated: "The rate at which individuals and organizations learn is *the only true sustainable competitive advantage*." Unless you learn *more rapidly than competitors* and *the rate of change*, you fall behind! Companies that are *first to market—first to learn and act on their learnings*—tend to dominate their competitors. While products and services can be imitated, *original learning can't be matched, copied, or rivaled*.

## Change Agents for Learning

If learning and adapting are keys to competitive advantage, leaders must move beyond simply applying best-practices to *driving strategic business advantage by creating learning organization*. A true *learning organization* capitalizes on the business of learning. It

excels at acquiring, interpreting, transferring, and acting on knowledge in ways that *transform* the organization, its operations and people. L&D professionals should serve as *learning process experts* by providing information, tools and resources to capitalize on team learning, but *all leaders* must actively foster and inspire a supportive culture—operating as *learning change agents*.

### 1. Championing learning principles.

Leaders promote a *supportive learning culture* by championing three principles:

- *Collaboration/team learning*: being open to questions and the free exchange of ideas, learning from experience and from others (valuing diversity of thought), and believing that the *whole of team thinking is greater than the sum of individual parts*.

- *Disciplined reflection*: formally reviewing and analyzing experiences and others' perspectives to derive applied learnings that fuel strategic advantage;



analyzing both outcomes and the effectiveness of the process used to obtain those outcomes (What did we set out to do? What happened? Why was there a difference? What do we sustain or do differently next time?)

- *Action*: willingly and courageously testing new learnings with others and in new situations—risking failure i.e., perceiving failure as a critical learning opportunity to be applied.

These principles reinforce a culture of *transformation and continuous learning*.

2. *Establishing a supportive learning context*. "Buy in" to the learning principles is not enough—leaders must be willing to change the way they work in order to leverage "the business of learning." They must establish aligned business and HR processes, promoting an environment where it is "safe" to speak up, where collaboration and risk-taking are the norm and where failure is viewed as a learning opportunity rather than a punishable offense.

To establish a supportive learning context, leaders can take *four specific actions*: 1) Organize cross-functional and geographic teams to maximize diversity of perspectives, collaboration, and learning; 2) Align performance and rewards systems to ensure that people who participate in creating a *collaborative learning culture* are rewarded; 3) Establish systems to attract and select individuals who demonstrate strong *knowledge-based competencies*, including: risk-taking, collaboration, creativity, learning on the fly, and flexibility. 4) Brand and communicate talent management strategies that emphasize *learning potential* and recasting concepts of *weakness and failure* to be reframed as *development opportunities*; handle individual needs via coaching/mentoring.

### 3. Role-modeling effective learning behaviors—walking the talk.

Most employees look to their managers to gauge whether a stated principle has become *part of the culture* or *passing fad*. Hence, *leaders need to model the behaviors that they want to see* by taking *five actions*: 1) taking decisive action in reformulating strategy, making structural changes or process revisions, and even replacing well-liked people on key projects to maintain fidelity to the mission and values; 2) communicating openly and candidly, and accepting feedback with an open mind; 3) effectively partnering with the CLO to utilize available learning, debriefing, and collaborating tools for better teamwork; 4) collaborating across functional and geographic areas to maximize knowledge transfer; and 5) modeling behaviors associated with risk-taking, collaboration, creativity, learning on the fly, continuous learning, and flexibility.

A culture that supports *continuous transformation, reinvention, and innovation* is best positioned to gain competitive advantage. *Leaders who can connect the learnings to bottom-line improvements will occupy tomorrow's C-suite*.

Successful companies master learning on the fly—reinventing themselves as necessary, committing to the principles of *collaboration, disciplined reflection, and action*. As courageous leaders *reflect* on lessons learned, they then change *anything and everything* from strategy, operations and research to the fabric of their culture in order to achieve competitive advantage. They know that *nothing is sacred but learning itself*. LE

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**ACTION:** Help your team win by learning.



# Lattice Leaders

*They deliver high performance.*



by Cathy Benko and Molly Anderson

THE CORPORATE LADDER MODEL IS BUILT on top-down, one-size-fits-all means of leading people and managing work. But the ladder is collapsing under the weight of the changing world of work, and a new model, the corporate lattice, is emerging. The sooner leaders recognize this, they can tap into the power of the changing formula for high performance.

## The Ladder Collapses

Companies today are flatter. Over a 14-year period, CEO spans-of-control tripled, and the layers under them decreased 25 percent. *Talent development can no longer focus only on upward moves.* Work is changing as well with 40 times more projects than two decades ago, heightening the need for collaboration and for leaders with cross-silo perspectives. And, technology has created a more global, virtual, and dispersed workplace—*more alternatives for how work is performed and broader possibilities for learning and growth.*

**Assumptions and norms on which the corporate ladder was built no longer hold true.** For example, leaders could once count on *employee loyalty in exchange for lifetime employment.* Gen Y job hoppers hadn't yet arrived. Work was 9-to-5, in-the-office. In contrast, now *over 40 percent of employers offer some remote work options* (83 percent of *Best Companies to Work For* have virtual work options).

**The ladder model also assumes that upward advancement and perks define success** for most workers and motivate top-notch performance—yet women, now half of the workforce, typically have non-linear careers that put more emphasis on meaning in work. Three-quarters of married, working men are in dual-career couples, and they report higher work-life stress than women do. Most millennials cite *career-life fit* as a priority, and two-thirds of workers ages 45 to 70 also want a better career-life fit. What's important to people in their work is as varied as the generations,

family structures, genders, cultures, and experiences that make up the market for talent. There are *multiple views of success* and *multiple motivations* at work.

Increasingly long-term success rests at the intersection of *high performance* and *career-life fit*. We define *career-life fit* as the *interplay of people's individual motivations around their work and lives*. Leaders striving for high performance face the challenge of how to *engage* employees when individuals value a career-life fit that's unique to them and to *keep them engaged* as their careers and lives change. *Engagement* represents the *extent to which employees go the extra mile to deliver extraordinary results for the company internally and to serve as brand ambassadors externally*. Companies with high engagement scores deliver better results in *earnings per share growth, return on assets, revenue growth, profitability, and productivity*.

## Creating a Lattice

To achieve *engagement* that delivers *high performance*, leaders must move from a *one-size-fits-all approach* to *tailored work practices* that *expand choices* and benefit employer and employees alike:

**Enabling lattice careers:** *define multiple development pathways and options for customizing careers.* Lattice companies have paths that move up, down, diagonally, and across, developing more versatile leaders and providing higher engagement through continual challenge and learning at a sustainable career-life fit. For instance, when Cisco adopted councils and boards to increase collaboration, it *learned it needed to change how it develops leaders*. It created a set of leadership competencies to align with the new way of doing things called C-LEAD (*collaborate, learn, execute, accelerate, and disrupt*). It also moved leaders laterally and vertically. Ana Corrales, VP of global business operations has held various roles from manufacturing to procurement, to finance, and to customer service. "Now, when Ana talks about our business, she sees how all the pieces work together," says EVP Randy Pond: *This is the model for our future leaders.*

When Thrivent Financial, a Fortune 500 financial services firm, implemented its approach to career customization, it needed to improve the *perceived value of lateral moves*. The Thrivent Career GPS includes professional and work goals, a profile of life and work, and the *sweet spot*—the intersection of a person's strengths and passions and the needs

of the business. As it implements the approach, it's seeing a steady uptick in better conversations about career and life, rising satisfaction with development options, and more lateral moves.

**Enabling lattice ways to work:** *expand options for when, where and how work is done.* A range of options are now available to structure work from flexible project teams to virtual work to jobs built around *know-how* rather than *task lists*. Business benefits include: real estate savings, higher productivity, and less commuting. Far-flung teams are beginning to outperform those located together. Technology is a critical enabler. But *mindset, management practices, and culture* are also important. At the Thomson Reuters U.K.-based sales and trading division, for example, *40 percent of staff live outside the country in which their manager works.*

"Managers can't be the clock-checker," says Anna Patruno, head of financial operations. "They need to set clear goals and time frames and give clear guidance and direction. Then the team can deliver."

**Enabling lattice ways to participate:** *facilitate collaboration, interaction, and communication*

*unconstrained by traditional rules of top-down hierarchy.* Participation helps deliver on the promise of an *inclusive and more transparent culture*, as well as stimulating innovation and improving coordination and efficiency: *85 percent of highly engaged employees say their company does a good job of seeking the opinions and suggestions of employees* (compared with 7 percent of less engaged employees). BT, the British telecom giant, has widened participation through social media including blogging and social networking to spur innovation. "To have an innovative company, *all employees* must think they can make a difference," says Richard Dennison, principal business partner. "These tools enable people to think they can make a difference."

Many companies are *making progress* in the lattice ways. By taking a holistic lattice approach, companies create a *synergy* that multiplies the benefits. The ladder belief that *high performance and career-life fit are opposing forces* must give way to a new reality: *they're inextricably linked and mutually reinforcing.* Lattice leaders *tap the power* of this paradigm shift to drive bottom-line results. LE

Cathy Benko is Vice Chairman and Chief Talent Officer, Deloitte; and Molly Anderson is Director Talent, Deloitte Services. They are co-authors of *The Corporate Lattice* (HBR Press).

**ACTION:** *Deliver high performance.*



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