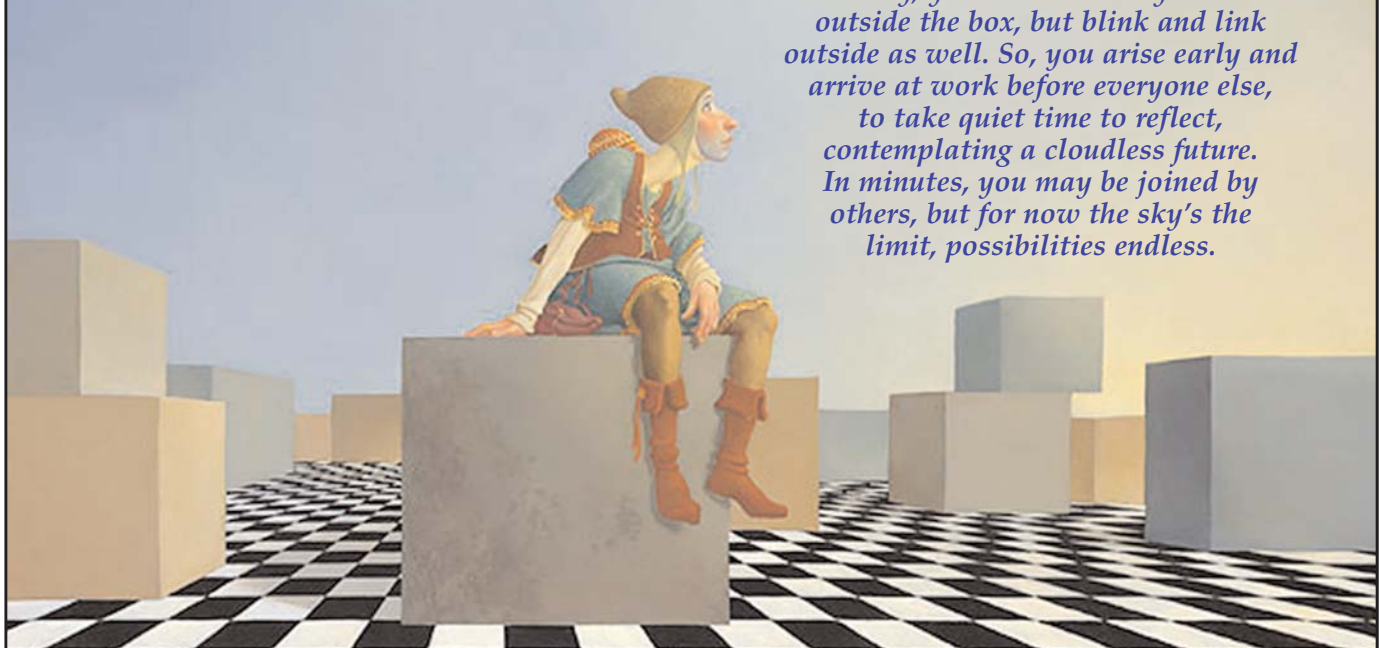


LEADERSHIP *Warren Bennis* Excellence



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Thinking Outside the Box



Today, you must not only think outside the box, but blink and link outside as well. So, you arise early and arrive at work before everyone else, to take quiet time to reflect, contemplating a cloudless future. In minutes, you may be joined by others, but for now the sky's the limit, possibilities endless.

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The Why of Leadership

You can then overcome any How.



by Ken Shelton

SWINE FLU SEEMS TO HAVE fizzled out, but *Mad How* disease is still rampant, as managers and leaders are consumed by nagging questions of how to make ends meet.

As many of the contributing authors to this issue suggest, with a strong (and widely shared) *why*, you can overcome any *how*. So, leadership task #1 is to work on *why*, or create and communicate *the why of work* to generate meaning, even in such seemingly mundane activities as keeping the bathroom clean and the customers happy.

I have purposefully and proactively prospected strong voices to bring this message home to all managers and leaders; otherwise, given the challenges we all face, we might weaken, lose confidence, and wimp out. We are admonished here to be fearless, positive, enlightened, helpful, extreme, and loyal—and thus restore confidence, lead through crises, create abundance, build mojo, generate pride, and serve as new models and responsible citizens.

Wanted: Turn-Key Solutions

As I walk the expo floor at the *ASTD Conference* in Chicago (May 16-19) and sit in on sessions, I detect a strong bent toward prepackaged, plug-and-play, off-the-shelf, *turn-key solutions* to complicated leadership challenges, in the grand tradition of American consumerism.

I concur with *Phil Eastman*: "It would be nice if becoming an effective leader were *easy*—and if all the ideas and techniques you read about or experience in workshops were *simple* to use. However, the real world is something else again. Becoming a great leader is hard work. The *leadership development industry* has softened the reality of leadership, boiling it down to formulas, tips, and tricks.

"The ability to lead is built on character. Leadership is a lifelong pursuit in which time and experience matter greatly. It is fraught with pain and exhilaration. Every leader leads from his or her character."

Thus, the shaping of a character is the *key-turn solution*. Having character-based leadership is like having a *skeleton key*—you can then open any door, navigate any terrain, endure any setback. Indeed, you

might say that you have a *Shackleton key* for returning all home safely, even from the extremes of East, West, North and South.

When I reunited in March with one of our founding editors of *Leadership Excellence*, *Stephen R. Covey*, I witnessed once again his compass demonstration: Close your eyes and point to what you think is North. Now open your eyes and look around."

Invariably, when this demonstration is done in a large hotel or convention center with many participants coming from out of town, people are pointing all over the place.

But the leadership lesson goes beyond one of direction. As other presenters point out, if these same participants were asked to explain their organization's mission, marketing strategy or reason for being (the *Why* questions), the answers would vary widely. Why? Because people are rarely clear on the why of their work.

Action Item: Make sure you are clear on why you work.

Why Leadership Excellence?

I was wondering aloud in my office the other day: Is there still a reason for us, *Leadership Excellence* magazine, to exist. When we started in May 1984, we were one of a kind, creating the leadership development community from scratch.

But now, with so much out there in the *leadership development industry*, do we still have a place and purpose? If so, what is it?

Gratefully, our namesake, the incomparable *Warren Bennis*, made it clear when he emailed me this response to receiving the May issue of *LE*: "Dear Ken, I thought this was an especially interesting issue—one of the best I've seen. I found all articles worth a skim and more than a few, a thorough reading, which is more than I can say for 3/4 of journals I read." Beyond the "good read," Bennis adds this endorsement: "Leadership Excellence is *an exceptional way to learn and then apply the best and latest ideas* in the field of leadership."

We were the first in business publishing to *transcend the medium of the magazine* and become, by design, *a management and leadership development resource*. If you aren't using our three monthly magazines (and archives) in your people development programs, you are misusing the product.

Ken Shelton
Editor since 1984

Lance Armstrong

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Restoring Confidence

Leaders need to reinvigorate the enterprise.



by Rosabeth Moss Kanter

IN RECENT YEARS, AMERICA has lost its way, at home and abroad, both as a beacon to the world and as a can-do nation. Once a widely admired as *the land of opportunity*, America could instead be closing down—unless we can renew the American spirit.

Today, we see growing unease and pressure in the workplace: few companies recognizing obligations to their communities and shareholders, mistrust and contempt of government, a political ideology that is xenophobic and isolationist, and the splitting of Americans into antagonistic ideological camps (not finding *common ground*).

To boost our economic vitality and democratic ideals, we need a leadership agenda built on *six core principles*:

- Widen prosperity by spreading innovation and participation in the *white-coat* economy and life sciences.
- Write a new social contract based on real family values, creating fair and flexible workplaces that are productive and attentive to the needs of families.
- Motivate values-based capitalism that contributes to solving social and environmental problems while providing stimulating and satisfying work.
- Restore trust by committing to government as an *instrument of public interest*.
- Harness the power of Americans to act as “citizen diplomats,” spreading greater understanding of our values and helping countries that empower their people and build their economies.
- Develop an ethos of a community that cares about others and a program of national service to unite people around common understanding.

This agenda will take leaders of character who exhibit humility rather than imperial arrogance. But relying on individual attributes alone is insufficient. Good leadership is made possible not just because people have the right values, but because institutions have the right checks and balances, including opportunities for dialogue and dissent. We can do the following:

- **Demand transparency.** Disclosure and discussion are great ways to steer business behavior toward high standards

—and high standards include high performance. Hiding bad news undermines success and hurts the economy.

- **Keep score.** Triple bottom-line reporting (financial, social, and environmental performance) is still in its infancy in the United States. Companies such as General Electric and IBM are issuing “corporate citizenship” reports and seeking standards for evaluating their performance against citizenship goals. Consumers are asking about every aspect of performance, applauding good companies and voting with their wallets.

- **Use bully pulpits to push the highest standards.** Public officials can make noise and broadcast a big message about what is expected. The stick of regulation can be waved in front of companies even when not being used



to strike. The carrot of praise and publicity for voluntary compliance and above-and-beyond contributions can be held out frequently. Political leaders can use their convening power to bring companies to the table to sign on to sets of principles in relevant areas, akin to the Equator Principles, which puts their commitments on record. And business schools can educate future business leaders about values.

- **Encourage local action.** Communities can set standards and work with businesses to meet them. If communities are strong in the assets world-class companies seek, such as human talent, communities can make their other values clear. Communities can also act on issues without waiting for government.

- **Expect politicians to raise standards to what the public wants.** Politicians should not be creating standards to save money for an industry. Higher standards stimulate *innovation* because creative companies identify efficient

new ways to meet them. And *innovation is the best way to secure the future.*

We entered this century with great hope, unprecedented prosperity, and exuberance about the promise of new technology. In recent years, the place of America in the world has changed dramatically. Emerging markets, and have invested more in the development of their talent, raising concerns about our competitiveness. I feel that America should be a model in terms of values and contributions.

I wrote *America the Principled* to offer a perspective about those enduring values that are vital to America’s prosperity and role in the world.

Recently, we’ve replaced our natural rhetoric of *confidence and abundance* with the rhetoric of *fear and restriction*—and that undermines our competitiveness. When we start closing minds, we jeopardize our competitiveness, because innovation and entrepreneurship are the source of our strength, not low-cost labor, and they require opening minds and doing something new.

The *world view of America* has slipped. We’re not respected, even in countries that are supposedly our allies. There’s a big gap between how these countries view Americans. So why aren’t we mobilizing more Americans to do good? *People used to look to America for leadership. I’m not sure they do anymore, but I think we can bring it back.*

The *white-coat economy* is the leading edge of the economic stimulus of the future. We’ve moved from blue- to white-collar economies with the dominance of services over manufacturing. The manufacturing that remains is technology-infused with a heavy white-collar or brainpower component.

Recently, the leading edge is shifting from *white collar* to *white coat*—to an economy that creates new value from discoveries. The white coat is a symbol for both health professionals and people working in labs to discover new things. Entrepreneurs rely on the people who have new discoveries. There are often complex partnerships between companies, start-ups, universities, and federal funding.

The *white-coat economy* is a source of tremendous innovation because it’s also a set of discoveries, products, and services that are good for the least advantaged members. If we improve healthcare, we can expand access to it. If we have technology for schools, we can level the educational playing field. And, green technologies not only create products we can export worldwide, but also reduce high fuel costs.

Citizen diplomats are philanthropists and activists who get involved in grass-roots changes that contribute to the quality of lives. *Citizen involvement* is a classic American strength. Social entrepreneurs are a manifestation of our entrepreneurial spirit. Businesspeople are among our best diplomats because when they travel and do a deal in another country, they represent the United States informally. They create goodwill in the partnerships they form, in communicating the values of this country.

Values-based capitalism starts with principles. It does not say that the only job of a business is to make money, regardless of how. One of IBM's central values is *innovation that makes a difference* for its customers and the world. IBM hopes that statement of values will help make money for its shareholders and pay its employees well, but it's a different way of saying *we have a responsibility to live up to high standards and to use the products and services that we create to improve the world.*

Companies like IBM, P&G, Cisco, and Timberland are setting a higher standard. Their values motivate employees, get them goodwill, and help them develop new products and services. This new kind of capitalism is motivated by something other than pure greed.

We need authentic leadership. Leaders work through their messages. They need to send *positive messages* that are *inclusive* rather than divisive, that don't make people who disagree with them into enemies. They need to admit when they are wrong; consistency is not a virtue if circumstances change.

Leaders have to live the values they espouse, set bold goals, and provide the resources for people to reach those goals. They must call us to a higher purpose, demand sacrifices, make it clear why we stand together, and why we're called on to serve the public.

To restore confidence, we need more voices putting forth a positive agenda, and we need to show practical ways it can be accomplished. We need to see *examples of practical actions with demonstrated results.* Pep talks mean nothing without examples of things that produce positive outcomes. **Confidence is rebuilt through words and deeds, by showing what is possible.** So, here's to optimistic visions, supported by citizen actions and policy proposals with demonstrated results—the winning combination. **LE**

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ACTION: Restore confidence in your leadership.

Why Jane Doesn't Lead

Watch your body language.



by Carol Kinsey Goman

THIS MONTH, WOMEN will cross the 50 percent threshold and become the majority in the American workforce. Females already make up the majority of university graduates in OECD countries and the majority of professional workers in United States and other countries. And women already run many great companies, from PepsiCo in America to Areva in France.

I've seen the genuine commitment that many companies have made to develop the leadership abilities of female employees and to create workplace environments with family-friendly policies and flexible work arrangements—all in hopes of attracting, retaining and grooming women for top management roles.

Despite this effort and progress, many talented females still bump their heads on a glass ceiling: Only 2 percent of the senior leaders of America's largest companies are women.

Body Language

Why? Recent research helps explain why even the best-intentioned efforts at developing women leaders are failing. This is research that deals with emergent leadership in groups of equal status. And the findings have everything to do with body language.

Doré Butler and Florence Geis at the University of Delaware compared the nonverbal affect responses to male and female leaders and found that intellectual assertiveness by women in mixed-sex discussions elicits visible nonverbal cues of negative affect. Females taking a leadership role in the group received fewer pleased responses and more displeased responses from fellow group members than male leaders speaking up and offering the same input.

We know that displeased expressions by fellow group members cause a leader's contribution to be rated less valuable than the identical contribution when embedded with cues of approval. So, women's ideas can be devalued simply by receiving less pos-

itive and more negative responses than men's contributions of the same objective quality.

Here's What Can Happen

Here's what can happen in a team meeting: A woman states her opinion. In response, negative nonverbal affect cues—frowns, head shakes, eye contact avoidance—are displayed, processed, and often mimicked by the group to produce a negative consensus about the value of her contribution. And this occurs without team members being aware of what's happening.

At a time when conscious responses are becoming increasingly egalitarian, covert, unconscious responses still reflect discrimination against women taking a leadership role.

Since hiring, salary, and promotion (especially to top leadership positions) often depend on being recognized as an emergent leader, this puts females at a distinct disadvantage.

Three Key Points

I draw your attention to three key points: 1) this was a study of leadership behaviors in peer groups—there is no evidence to suggest that women in formal leadership roles generate any greater negative (or less positive) emotional cues than do their male counterparts; 2) this was *not* about men discounting the contribution of women—the groups in the study had an equal mix of male and female members; and 3) the power of nonverbal communication lies its unconscious nature—and bringing the covert into awareness can help nullify its effect.

So, to groom women for top positions, keep doing those helpful things: Offer females the coaching, mentors, and career opportunities that develop leadership potential. And, pay attention to your body language. Employees look for and emulate the nonverbal signals they get from their bosses. Current leaders can help create a level playing field for emergent leaders by providing the same cues of positive affect (eye contact, smiling, nodding, leaning forward) when listening to women as they do when listening to men. **LE**

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ACTION: Groom women for leadership.

Fearless Leaders

We need them here and now.



by Margaret Wheatley

IF A COMPANY IS ONLY as good as its people, leaders have much to worry about. The reason: their people are under unprecedented strain. In an economic environment that demands increased productivity, leaders are tightening control and asking employees to do more work in less time. At the same time, employers are paying less attention to their employees' development or satisfaction.

Leaders can cope with this situation with fearlessness—by building a strategy driven by quality and the values of the people, rather than by quarterly performance. Regrettably, few leaders are likely to lift themselves above the short-term fray to get this message.

Fearlessness can play a critical role in addressing problems facing leaders.

For years, there has seemed to be a deep disappointment and despair growing, even among engaged, capable business leaders. I've spent much time working on large-systems change, helping organizations become more committed and productive, with the full engagement of people at the top. Many of these people were heroes to me. They knew about the value of participative management; they had made great gains in both the traditional measures of profitability and in innovation and viability.

Now pressures on leaders have increased dramatically. They no longer have time or flexibility. They feel caged, oppressed, and exhausted. The demand for quick results and the pressure from boards and oversight committees have left them no time for development or learning.

I saw these leaders withdraw: "Forget about values, learning, or participation. We just need to execute." This meant: "Drive performance now." This business rhetoric, the notion of execution, is quite violent: You "execute" people. It gives me the shivers. Seeing this happen made me think about fearlessness: Who was going to take a stand on behalf of quality and other values? And if people did take a stand, would it make a difference?

That thinking led me to a more radical position. I gave up on the idea of change led by senior executives. I started looking for people who were interested in change, encouraging them to do what they could, but not to wait for people at the top—to just *act within their own domain*. There's still a possibility of creating beneficial results on these *islands of hope* in companies.

Once fear sets in and risk increase, many leaders revert to command and control. This was exacerbated by the impact of technology, globalization, and constant communication. Many managers and leaders tell me that there's no time to think, no time to learn from experience. If something doesn't work the first time, you just pick up the pace the second time; maybe it'll work then. People in pro-



ject management and training have incredible time-compression demands.

Another factor is the intensifying of communications technology. E-mail has given us a 10-fold increase in our work and a 100-fold decrease in our ability to pay attention. Last year a study showed that people could tell you when their day began, but not when it ended.

We are so overwhelmed by information that we're becoming numb. E-mail also takes away the need to meet face to face, which causes misunderstandings and damaged relationships. Today people deal with tough issues by e-mail even if they're down the hall from each other. It's also led to strange behaviors, such as people using their Blackberrys or phones to e-mail or text message under the table at meetings. The most common posture now is the downward glance, whether it's in meetings or elsewhere.

There is also an intense focus on short-term results at the expense of all else. There is pressure to get projects done faster with quicker turnaround times and unreasonable deadlines.

We've entered the era of believing that a client or boss can just ask for things sooner, without losing quality. The thinking is that you don't have to worry about how a decision will affect long-term success—just think short-term, and somehow it will work itself out. Employees are now evaluated on short-term results, but these don't really measure anything of value for the longevity of the company. These measures get tied to incentives and rewards and start to transform behavior in a negative way. All this leads to worse performance in the end.

If leaders took the time to engage people instead of clamping down on them, not only would employees perform better, they'd also be more innovative and focused. It would lead to less stress, less illness, and *more productivity*.

Right now, leadership actions are pushing the workforce toward *increasing disengagement*. People show up to work to collect a pay check. As Gallup has shown, 70 percent of the American workforce currently feels disengaged, up from 33 percent in 2000. That's what happens when you squeeze fewer people to do more work, give them shorter deadlines, measure their work using meaningless reports, and treat them with profound disrespect.

These behaviors persist because leaders don't know how to relate to uncertainty, how to deal with a future that they can't plan for. They can't even plan for their own future: recently, there have been record levels of CEO firings. Meanwhile, the people who recruit and select CEOs cling to the belief that one person should have the answer. And when the new CEO does not have it—because no one person does—they just go for another, more heroic leader. These powerful dynamics reinforce one another and push organizations in the wrong direction.

Face Realities

This is where fearlessness comes in. To be fearless is to face the reality of your situation and recognize what you can achieve, given these powerful cultural and systemic dynamics, without deluding yourself that you can, through your own act of will, be more powerful than you are. And then, decide who you want to be, so that you can stand firm for the practices you believe in most deeply, and accept

criticism. Such fearlessness can be found in anyone—senior leaders, mid-level leaders, supervisors, or workers.

I invite you to address eight fearless questions: 1. Does the world need me to be fearless? 2. Who do I choose to be for this world? 3. How do I name myself? 4. Can I bear witness to what is? 5. Can I work with what's available? 6. Can I give up needing to make a difference? 7. How do I imprison myself? 8. How do I offer my work? These questions are designed to help you develop clarity about your work and the contribution you want to offer.

If you're a leader, you have to be thoughtful about this. Even a senior leader from a major corporation, someone who is very successful and uses high engagement strategies, probably won't be able to convert the whole company. Hence, I've given up on large-scale transformation, but smaller measures can still effect change—for example, helping a few people realize their competence, value, talents, or creativity. But it's hard for leaders to accept this thinking. For once you accept that, you open yourself to accepting other ideas, such as the belief that human beings aren't the masters of the universe; that we can't make our own rules, no matter how powerful our technology is. That's not how the planet works. Or recognizing the ways in which the pursuit of material goods and consumer comforts, even as this pursuit makes people healthier and live longer, can also deaden people in other ways. This destroys the essence of culture, community, and family.

One thing I've felt deeply working with indigenous communities in Africa, Australia, and North America, is that *the lure of acquiring material goods is stronger than any other lure in the world now*, especially to teens. Many of them leave home to support their families and experience a better life. But a society whose practices are based only on economic growth will self-destruct, since materialism, if left unchecked, destroys the best aspects of being human and brings out our baser qualities. It's not a pretty world right now. Inside and outside organizations, things people thought were protected are falling apart. Within organizations, many people are left to their own resources.

To break away from this situation, fearless leadership is called for. **LE**

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ACTION: Address the fearless questions.

Crisis Leadership

10 lessons from Sir Shackleton.

by David Parmenter

SIR ERNEST SHACKLETON saved the lives of all *Endurance* crew mem-

bers who lived for two years in the harshest environment in the world. With low-technology equipment and no support from outside agencies, he managed to make a home on a floating ice shelf, sail all his men to an uninhabited island (Elephant Island), sail a team across 800 miles the roughest water in the world in a life boat, and then cross unclimbed mountains and glaciers in an epic 30-hour traverse.

From him, all leaders can learn 10 lessons in crisis leadership.

1. Let go of the past and move on.

When Shackleton (the Boss) witnessed the sinking of the *Endurance*, he knew it meant personal bankruptcy. Yet, he didn't let this event affect his optimism of getting his team back to safety. He respected the old dogs. On perilous journeys where life and death were in the balance, he had the old dogs in the advance party. He observed that old dogs, eat less, complain less, sleep less, and are injured less! He was flexible, always

thinking ahead. He reversed some decisions as conditions changed and dictated what could be done on the next leg of the return journey. When it was time to leave the breaking ice floe, the Boss had to assess the safest option bearing in mind the conditions of the men, the sea, and life boats. Although unable to predict accurately the weather or future, he made provision for worst-case scenarios and accurately assessed the best options to take. Moreover, he maintained a sense of humor, even when all looked lost. He was the life and sole of the group, constantly looking for ways to maintain morale. As Tom Peters says about bad times "This is when it gets fun for talented and imaginative leaders."

2. Recruit your team with care. The Boss chose his people carefully; he was looking for character, competence and multi skills. His interview questions determined if candidates had a positive

attitude and a light-hearted nature. His recruitment strategy was this: Loyalty comes easier to a cheerful person than one with a heavy countenance. His inner core had to be loyal. The Boss cultivated leadership by others within the team. He set difficult tasks for the candidates to see how keen they were to join. He used trials to test if applicants were up to difficult tasks. He picked his second in command with great care. Frank Wild was dedicated to acting on behalf of the "Boss" in his absence. In many respects, he was a clone, following the Boss on all his adventures. He started off as a seaman and became a great explorer. Wild left the planning to the boss and focused on maintaining a happy, friendly nature.

3. Show an abundance of positive energy. As Jack Welch says, it's vital that a leader has positive energy—the capacity to go-go-go with *healthy vigor* and an *upbeat attitude*. Shackleton had an abundance of positive energy. He worked the hardest, slept the least, and lead from the front. He was fitter than all others on the team. The Boss never gave up: he believed that "there's always another move, you just have to

find it." He was always a purveyor of hope and optimism. When setbacks occurred, he had to remain outwardly optimistic, despite his own feelings, to prevent despair among his men. He knew that such despair could, in the face of adversity, lead to dissension, mutiny, or giving up. He kept the men so busy

that they had little time to brood over their predicament. When he sensed that the mood was darkening, he'd use a holiday observance or some other pretense to justify extra rations of food to boost morale. He rose to his best and inspired confidence when things were blackest. He loved a party, toasted loved ones, and celebrated birthdays. Once near starvation, he saved a small pudding with a piece of holly to share on Christmas. He was *young at heart*, always looking for ways to amuse his team.

4. Communicate effectively. The Boss avoided public fights. He said only positive words about crew members when expressing an opinion in public, knowing that he needed their support. He engaged in informal, one-to-one, personalized communication. Before making a major change, he'd mention it in passing individually so when he announced the change it was no surprise. Bad news was never unexpected.

The Boss always canvassed the men when the options were unpleasant. Each evening, he did a walkabout. No matter how cold it was, the Boss would visit each tent for a pep talk. He'd wake in the early morning to accompany the man on watch (he rarely got more than four hours of sleep). He found time to cheer up members who felt depressed.

5. Let psychology be your friend. The Boss read widely, and his understanding of psychology played a big part in saving the lives of this team. For example, on the hike over the mountains of South Georgia, his two team members wanted a small sleep. The Boss knew that would be the end of them and his crew if they slept long, so he let them sleep for five minutes and then woke them up saying they had slept for 30 minutes. On the famous boat trip, he took two members who would be of no use but could not be left behind to poison the minds of others. His selection of crews on the escape from the sinking ice floe took account of the dynamics of the friendships, seamanship, and the state of the boats. He noted that the moodiness of the expedition's photographer was improved by flattery and inclusion. He'd sow a seed if he thought a change might be inevitable. *He never shared any doubts.* The Boss was the master of conflict resolution: he avoided emotional outbursts. He would gently point out the reason why it should be done a different way. He would only tell staff off in private. Where team members failed him, he managed his anger and frustration. He engaged dissidents, and avoided needless power struggles.

6. See and own the future. The Boss could visualize things ahead and plan accordingly. The extent of his planning included: Different gear to avoid the problems he had experienced in past expeditions. Provisioning food and equipment that saved their lives many times. Packing cases made of ply wood that could be reconstituted into building material for a hut. The Boss was bold in planning but careful in execution. While the vision must be bold, every risk was minimized to ensure a safe outcome. He was over-provisioned. His original plans were to be away for just over a year, but he wisely provisioned for two years based on 4,000 calories a day. In providing for the team, only the best was good enough. New equipment was designed, back-up equipment was the best that money could buy. And the food on board was fit for a king. Treats that could be stored for years were taken. In bleak moments, the Boss used

a treat to say to his men, "There is more of this when we get home."

7. Develop, engage and trust. Remove barriers of rank to build cohesion. The Boss was anti-establishment. Tasks were assigned based on a person's skills. All members, including him, did the dishes, cleaned the floor. When it came to rationing the fur-lined sleeping bags, straws were drawn, the three leaders drawing a blank in a rigged draw to benefit the younger men. The Boss insisted on *courtesy* and *mutual respect* among members of the team. The team was prepared to take on any task the Boss wanted, as they knew he would be in the line with them. The Boss devised many activities on the ice floe to keep the team in good health. He communicated the *critical success factors* clearly to keep the team aligned. He ensured that the team planned their daily duties with their *critical success factors* in mind. The Boss cross-trained the team and broke down any barriers that might inhibit cohesion, matching tasks to individual capabilities and personalities. He knew his staff inside out and spent time with each member to learn what made them tick, how he could best lead them, and how he could serve them.

8. Reinvent yourself and constantly innovate. The Boss always learned from prior experiences. He designed special clothing, the equivalent of a breakthrough. He also designed a tent that quickly could be erected in a blizzard. These innovations no doubt saved the lives of his men. The *James Caird* life boat that made the crossing to South Georgia was modified, and these modifications saved them all when a 40-foot-plus rouge wave swamped the boat. He had deep experience in the enterprise he was running, thus having what John Gardner calls "the capacity to win and hold trust." The Boss trained himself to become exceptional leader. He learned from prior mistakes, he was a student of other explorers' experience, and he too had as a hero the Norwegian Roald Amundsen. He admired and sought to emulate the skill, preparation, and attention to detail displayed by Amundsen in the 1911 race to be the first to the South Pole. He thus was well prepared for his role. He valued results, but he valued life and people more. No goal no target was worth the loss of life. He took no unnecessary risks. He never attempted a goal if the

return journey was not guaranteed. He could have been the first to the Pole, but he knew that they would have died. *Success meant coming back alive.*

9. Embody the values. The Boss was a religious man. He took the Bible with him, knew many of the scriptures (love thy neighbour as thyself), and had a profound love of the common man. He respected his colleagues, their life and time. While the Boss loved the limelight, enjoyed the public adoration and the attention from the fairer sex, he was humble when communicating to his team, knowing that through humility greatness can be achieved. In his public relations, he only laid claim to what was rightly his achievements. He treated his crew as equals. Jan Gunnarsson calls this leadership trait *hostmanship*—the art of making people feel welcome. He knew that *helping* was his most important task, and thus welcomed interruptions! Time and again, Shackleton gave up personal comforts for his men. He gave up the fur-lined sleeping bags, his bed for a sick member, his gloves at a point where he risked severe frost bit. He shared the provisions faultlessly to all

no matter what their contribution. The Boss set high values, and when these were compromised he was unforgiving. The four staff who had jeopardized the safety of his men were later punished on return by the withholding of the Polar medal.

10. Be a serving leader.

The Boss looked after the comforts of the team. He was a mother hen. He genuinely cared for his team members as if they were his own flesh and blood. He saw a leader as one who served rather than one who was served. He dutifully took his turn performing the most menial of chores and expected his leadership team to do the same. He was "a Viking with a mother's heart." As Ken Blanchard writes in *The Secret*, a leader exists to serve others rather than be one who is served. The boss would be the first to nurse an ailing member, the first to make a cup of brew if he knew his staff were at the end of their tether. We saw such service as an strength, not a weakness, in leadership. LE

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ACTION: In a crisis, be a servant leader.

Creating Abundance

Leaders are meaning makers.



by Dave and Wendy Ulrich

THIS MORNING, YOU GOT OUT OF BED and got ready for work. You may have found a sense of meaning, purpose, even abundance in your work—or found world-weary tedium, frustration, and despair. Which was it for you, and for the people you lead?

Friedrich Nietzsche notes: “He who has a *why* to live can bear with almost any *how*.” People who have a *why* to work can bear with almost any *how*. Organizations are primary settings not only for accomplishing tasks but also for finding *an abiding sense of meaning in life*. Work is a setting in which to pursue our universal search for meaning. Great leaders create a sense of abundance (meaning, purpose, hope, pleasure) that engages people and delivers value to stakeholders.

We encounter leaders who formulate great strategies, structures, and processes but overlook the heart and soul that make organizations meaningful places to work. The questions both leaders and followers wrestle with connect around the search for *the why of work*—the search for meaning, purpose. Finding that *why* infuses a sense of abundance—having enough and to spare of what matters most.

In life, meaning is tied *less* to belongings and *more* to emotional bonds, a sense of purpose, and using skills to serve the needs of others. In organizations, meaning and abundance are more about *what we do with what we have* than about what we have to begin with or what we accumulate; more about finding the resources to deal with challenges than about having unlimited resources to make work easy.

There is a strong business case for helping people find meaning at work. As they find meaning, they contribute to the broadest purposes for which organizations exist: creating value for customers, investors, and communities.

People find meaning not only in their personal lives but also through

the organizations where they learn, worship, socialize, and play. Meaning can be discovered in friendships, families, neighborhoods, religious communities, schools, clubs, and work.

People find meaning in many such places and activities. Meaning is the object of a nearly universal search, and work is a nearly universal setting for engaging in this quest.

Leaders are meaning makers: they set direction that others aspire to; they help others participate in doing good work and good works; they communicate ideas and invest in practices that shape how people think, act, and feel. As organizations become an increasing part of the individual’s sense of identity and purpose, leaders play an increasing role in helping people shape the meaning of their lives.

Too many leaders focus on where they are going and how to get there, without attending to how it feels to those on the journey with them. When leaders make work meaningful, they help create **abundant organizations** where employees operate on a value proposition based on meaning as well as money. Meaning becomes a multiplier of employee competence and commitment, a lead indicator of customer share, a source of investor confidence, and a factor in ensuring social responsibility. Even hard-nose leaders become interested in meaning when they see its potential contribution to bottom-line realities. When leaders grasp the *why* of meaning, they then seek the *how*.

We hope to redefine leaders’ roles to include making meaning and creating a sense of greater abundance by focusing not only on *what needs to be done* but also on *how it feels to do it*. We hope to turn deficit-laden thinking into abundance metaphors and actions.

Meaning at work. Leaders need to put meaning to work to succeed in the marketplace. The search for meaning adds value in two ways. First, people are meaning-making machines who find inherent value in making sense out of life. The meaning we make of an experience determines its impact on us and can turn disaster into opportunity,

loss into hope, failure into learning, boredom into reflection. The meaning we create can make life feel rich and full, regardless of our circumstances or give us the courage to change our circumstances. When we find meaning in our work, we find meaning in life.

Abundant Organizations (AOs). We refer to a company that is meaningful as an *abundant organization*—a work setting where people coordinate their aspirations and actions to create meaning for themselves, value for stakeholders, and hope for humanity. AOs have *enough and to spare* of the things that matter most: creativity, hope, resilience, determination, resourcefulness, and leadership. Yes, they are profitable, but rather than focus only on competition and scarcity, they focus on opportunity and synergy. They

bring order, integrity, and purpose out of chaos and disintegration. Rather than restrict themselves to narrow, self-serving agendas, they integrate a diversity of human needs, experiences, and timetables—creating meaning for the employees who comprise them and the customers who keep them in business.

Market value of why. You intuitively know that you and your work team would be more productive, satisfied, and creative if work engaged not only your head and hands but your heart and soul. When employees find meaning at work, they care enough about it to develop their competence; they work harder and are more productive; they stay longer and are more positive—and customers respond in kind. Employee attitude is a key indicator of customer attitude, and satisfied customers help the businesses they patronize to thrive. Meaning reinforces employees’ passion for work because it ties what they do to a greater good that pays off in the marketplace. Passion for work is an intangible asset that has a direct impact on a firm’s market value. Meaningful work solves real problems, contributes real benefits, and adds real value to customers and investors. Employees who find meaning in their work are more satisfied, more engaged, and more productive. They work harder, smarter, more passionately and creatively. They learn and adapt. They’re connected to customer needs. And they stick around. Meaning making is noble, and profitable. *Making sense can also make cents.*

Leaders as meaning makers. The task of leadership is to create AOs. A crisis

of meaning is always a crisis of leadership. Abundance is not only a prerogative for leaders of rich, smart, prestigious, and successful people. Meaning is in short supply for poor, mediocre, struggling, hurting people. Great leaders recognize the vital importance of abundance and meaning to all stakeholders. To maintain outstanding performance, *the best companies* not only make money via excellent customer service and solid management practices, they also tap into the elusive quality of meaning. Their leaders turn the meaning people find in work into *sustained abundance*. They help employees find meaning that contributes to business success. They create a *direction* that is charged with *meaning* and resonates with the *minds, hands and hearts* of those they lead.

Recessions of meaning. In both lean and prosperous times, values are tested and forged, setting the stage for the future. Meaning is shaped or dissipated. Loyalties are won or lost. Talent and skill are honed or abandoned. Creativity and problem-solving skill are developed or undermined. And future sustainability is either ensured or threatened. We need AOs in deficit-dominated contexts that challenge our sense of meaning and in growth-dominated contexts that give rise to expansion. The search for meaning is more about how we think than about the circumstances in which we find ourselves. Deficit thinking can abound even amid plenty.

Prevalence of deficit thinking. When we lose what we've come to count on—be it a person, income, position, retirement, treasure, security, identity, direction, or job—we lean to *self-protection* and *deficit thinking*, which can lock us into a prison of our own making, one dominated by fear, isolation, disorientation, and competition for scarce resources. Even if we get back what we lost—even if the economy improves, the takeover is averted, or we end up with a better job—our deficit thinking can cast an discomfiting spell over our lives. The thieves and robbers of crisis undermine the ability of leaders to foster abundance. Once we realize the precariousness of the things we depend on for security, we can't restore security fully until our dependencies change.

Leaders search for meaning in good times and bad. Meaning matters because employees are essentially volunteers who can choose where to allocate their time and energy. LE

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ACTION: Clearly communicate the why of work.

Think Positive

Transforming accountability.



by Roger Connors and Tom Smith

USUALLY, THE QUESTION “HOW DID THAT happen?” is accompanied by a fair amount of hand-wringing, fist-shaking, and even brow-beating because something fell through the cracks, an expectation was not fulfilled, results went undelivered, assignments were ignored, and golden opportunities lost. Regardless of who failed to deliver, unmet expectations can result in negative consequences, including accountability interactions. Today, *accountability* has become something that happens to people when things go wrong.

To implement *positive accountability*, negative accountability—what happens to people when things go wrong—should be reversed and shifted so people proactively take ownership for results and overcome obstacles to make things happen.

Take Four Steps

There are *four essential steps* to acknowledge and appreciate the transformative power of accountability: See it, own it, solve it and do it.

- **To see it**, employees must obtain and listen to others' perspectives, whether they agree with them or not, preparing them to readily acknowledge reality.
- **To own it**, they need to make connections between *the circumstances they face* and *the actions they've already taken*.
- **To solve it** means constantly asking, “What else can I do to obtain the desired results?”
- **To do it** requires people to follow through on commitments without blaming others for failure, take action to change the situation, make progress and ultimately achieve necessary results.

Individuals, teams or organizations that try to deny or deflect accountability—often because they feel victimized by circumstances they perceive to be outside of their control—can become trapped below the line that separates

accountable and *unaccountable* behavior. If they remain below the line, things almost always get worse.

Rather than face reality, they ignore or pretend not to know about their accountability, deny their responsibility and blame others for their predicament, citing confusion as a reason for inaction. These individuals may ask others to tell them what to do, claim they can't do it or just wait to see if things will miraculously improve.

Embracing the four steps can build a *culture of accountability* where people consistently assume personal accountability and regularly overcome obstacles by replacing the question “How did that happen?” with a more positive and proactive one: “What else can I do to achieve the desired results?” This question puts those who ask it in the right mindset to resolve issues, become more resourceful and diligent in searching for new ways to move forward and achieve desired results.

It's a question people at Ford Motor Co. have been asking in recent months. Evidence of the company's emerging turnaround includes refusing government bailout money, improving management, cutting costs, reducing debt, raising new equity funds, building greener cars, and solving structural problems that had taken it to the edge of bankruptcy.

So, the first step toward creating a culture of accountability is to define clear desired results. Clearly define results and communicate them broadly. Whether the focal point is a sales goal, a delivery period, or a minimum ROI to achieve, people have to be *clear on the direction* and *clear on the results*. Leaders will often say: “I don't care *why* or *how* you do it, just get it done!” Often org charts and job descriptions push people into boxes. They give people the idea that they are paid to perform a defined function or set of tasks. People are accountable for doing their job, but not for delivering results. Effective leaders lead people beyond the boundaries of their jobs and inspire them to relentlessly pursue desired results by creating a culture that motivates them to ask, *What else can I do?* until the results are achieved. They lead their people to recognize their “job” as achieving the desired results. LE

Roger Connors and Tom Smith are co-presidents of Partners In Leadership and authors of *How Did That Happen?* Holding People Accountable for Results the Positive, Principled Way. Visit www.ozprinciple.com.

ACTION: Hold people accountable for results.

Enlightened Leaders

Tune in to four new realities.



by Jim Collins

IN THE FUTURE, WALLS that have traditionally defined boundaries—what you own, what you control, whom you employ, where they work—will cease to have much meaning. Instead, the defining boundary will be a permeable membrane defined by values, purpose, and goals; organizations will be held together by mechanisms of connection and commitment rooted in freedom of choice, rather than systems of coercion and control. The exercise of leadership is inversely proportional to the exercise of power; hence, the *most productive relationships* are, at their core, mutual partnerships.

Leaders today need to make four shifts in order to be effective.

1. Define the inside and the outside of the organization by reference to core values and purpose. Every great organization is characterized by dual actions: preserve the core and stimulate progress. On the one hand, it is guided by a set of core values and purpose—which change little or not at all over time; and, on the other hand, it stimulates progress—change, improvement, innovation, renewal—in all that is not part of the core values and purpose. Core values and core purpose in enduring great organizations remain fixed, while their operating practices, cultural norms, strategies, tactics, processes, structures, and methods continually change in response to changing realities.

The organizations that best adapt to a changing world first know what should not change; they have a fixed anchor of guiding principles around which they can more easily change everything else. They know the difference between what is sacred and what is not, between what should never change and what should be always open for change, between *what we stand for* and *how we do things*. Core values and purpose provide the glue that holds an organization together as it expands, decentralizes, globalizes, and attains diversity. Core values and purpose define the eternal character of

a great organization, the character that endures beyond the presence of any set of people or individual leaders. In the best organizations, leaders are subservient to the core principles. *Membership* is ultimately defined by shared core values and common purpose.

Given the trends—greater decentralization and autonomy, wider geographic dispersion, increased diversity, more knowledge workers, technology and travel that make going into the office less relevant—the bonding glue that holds organizations together will be shared values and common purpose. People still need to belong to *something they can feel proud of*. They need guiding values and a sense of purpose that give their lives and work meaning. They need connection to other people, sharing with them beliefs and aspirations

to form a common bond. And, people will demand operating autonomy—freedom plus responsibility—and that the organizations *stand* for something.

2. Build mechanisms of connection and commitment rooted in freedom of choice, rather than relying on systems of coercion and control. You can't just establish shared values and common purpose and expect everything to hold together; you also need tangible mechanisms that foster the commitment required to produce results. However, these mechanisms will increasingly rely on commitments freely made and will grant wide operating autonomy, rather than rely on coercion and control.

The *commitment plus freedom model* requires heavy up-front investment in selecting the right people. It does not try to mold people to be what they are not. People often ask, "How do we get individuals to share our core values?" The answer is, "You can't." You can't

open people up and install new core values in them. The key is to find, attract, and select people who have a *predisposition* to sharing the core values, and to create an environment that consistently reinforces those core values, buttressing it with mechanisms of connection and commitment. If you select the right people in the first place—and they select your organization—then you don't need to control them. They don't need fixed hours. They don't need to come into offices where they can be watched. They don't need rules. You need to guide them, teach them, provide direction, set clear objectives, agree mutually on deadlines, and have mechanisms of commitment and connection—but you don't need control. Most managers under-invest in the selection process and then try to correct for bad choices through control and over-management. If you select the right people, you don't need to mold people. Indeed, the moment you feel the need to control and mold someone, you've made a selection mistake.

3. Accept the fact that the exercise of true leadership is inversely proportional to the exercise of power. The best and most innovative work comes only from true commitments freely made between people in a spirit of partnership, not from bosses telling people what to do. Leadership can't be assigned or bestowed by power or structure; *you are a leader if and only if people follow your leadership when they have the freedom not to*. To create a climate of leadership, W.L. Gore & Associates uses the twin mechanisms of *lattice structure* and *natural leadership*, which give *every individual* the freedom to establish working relationships with any other individuals without regard to any chain of command. Any individual can by self-initiative assume leadership for an objective, again without regard to any hierarchy, so long as others freely commit to follow. To facilitate this flexibility, no one at Gore has a formal title; there are no vice presidents, no directors, no chief this or chief that; *everyone* has the simple title *associate*. This allows those with true leadership potential to quickly rise to positions of responsibility. Conversely, those without leadership skill are quickly rendered impotent as associates bypass them and align around those who can lead. In effect, these mechanisms allow groups of associates to fire their boss.

As people become increasingly comfortable with ambiguity, they will increasingly trade the single-job model for a multi-client model, thus granting to any single organization or leader

less power over their lives and livelihood. All those people who lost their jobs suddenly came to understand that low ambiguity (a single job) comes at the price of high risk (all eggs in one basket). You can already see this change to the lower-risk, multi-client model happening as older executives bemoan the “lack of loyalty” in the younger generation. And yet there is no less loyalty in the younger generation. They are simply granting less power to any single organization; they are less subservient because they have more freedom. The moaning executives are confusing *subservience to power* with *loyalty to cause*. Executives need to cultivate the latter and relinquish dependence on the former to be effective. We’ll increasingly see a shift away from ownership of people in any form, including the traditional job (an advanced form of owning people by owning their time). In the best organizations, every relationship will be viewed conceptually as a joint venture.

4. Embrace the reality that traditional walls are dissolving. We are moving toward a world in which the concept that walls are necessary is becoming archaic and is no longer useful. The most progressive corporations have jettisoned the idea that they can exist in a walled-off cocoon of private activity. The customer revolution, for example, reflects a dissolution of the walls companies once tried to construct between customers and companies. Granite Rock, has taken this change so far as to extend to its customers the power to decide whether and how much to deduct from an invoice if they feel dissatisfied. Customers work toward the mutual goal of continually improved Granite Rock products that benefit both customer and company. The quality revolution is also about dissolving artificial walls. For instance, a central tenet of any good-quality effort is that suppliers and producers will operate in partnership to create a better end result.

The most productive relationships are in their essence mutual partnerships rooted in a freedom of choice vested in both parties to participate only in that which is mutually beneficial and uplifting. The social systems best suited in the long run to meeting the material and spiritual needs of most people tend to distribute, rather than concentrate, power. LE

Jim Collins is the best-selling author of Build to Last and Good to Great. This article is adapted from his chapter in Leading Beyond the Walls (Wiley/Jossey-Bass). Visit www.jimcollins.com.

ACTION: Adapt to these new realities.

Build Great Mojo

Incorporate four elements.



by Marshall Goldsmith

OUR MOJO IS APPARENT when there’s no gap between the positive way we perceive ourselves and how we are perceived by others. **Four vital ingredients** need to be combined in order for you to have great mojo.

The first is your identity. Who do you think you are? Often I ask people this question and their first response is, “Well, I think I’m perceived as someone who . . .” I stop them immediately, saying, “I didn’t ask you to analyze how you think other people see you. I want to know who you think you are. Taking everyone else out of the equation, how do you perceive yourself?”

What follows is often a long silence as they struggle to get their self-image into focus. Without a firm handle on our identity, we may never understand why we gain—or lose—our mojo.

The second element is achievement. What have you done lately? If you’re a salesperson, this might be landing a big account. If you’re a creative type, it could be coming up with a breakthrough idea. This is a more subtle question

because we often underrate or overrate our achievements based on how easy or hard they were to pull off.

For example, one senior HR executive told me she could pinpoint the exact moment her career took off—though she thought nothing of it at the time. She was the assistant to the CEO. One day she heard him complaining about the company’s tracking system for expenses. That night, she wrote him a memo on how she would streamline the system. It didn’t require much effort on her part; as someone who had been filling out the CEO’s travel and entertainment reports for years, she had a very good sense of the reimbursement system already in place. But the memo impressed her boss, who almost immediately moved her into the human resources department, where she could shake things up with her ideas. In her manager’s eyes, she clearly demonstrated insight, ini-

tiative and executive ability—and her memo became the moment that jump-started her career from assistant to overseeing hundreds of employees.

Look at achievements from two perspectives: what you bring to the task and what the task gives to you. Until you can honestly put a value on what you’ve achieved lately, you may not be able to create or re-gain your mojo.

The third element is reputation. Who do other people think you are? What do other people think you’ve done lately? Unlike questions about identity and achievement, there’s no subtlety here. While identity and achievement are definitions you develop for yourself, your reputation is a scoreboard kept by others. Your co-workers, customers, friends and sometimes strangers grab the right to grade your performance—and report their opinions to the rest of the world. Although you can’t take total control of your reputation, there’s much you can do to maintain or improve it, which can have an enormous impact on your mojo.

The fourth element is acceptance. What can you change, and what’s beyond your control? On the surface, acceptance—being realistic about what you can and can’t change in your life and accommodating yourself to those facts—should be easy. After all, how hard is it to resign yourself to the reality of a situation? You assess it, take a deep breath and accept it. Yet acceptance is often one of our greatest challenges.

Rather than accept that their manager has authority over their work, some people fight with their bosses, a strategy that rarely ends well. Rather than deal with the disappointment of getting passed over for a promotion, they’ll whine “It’s not fair” to anyone who will listen, a strategy that rarely enhances their image among peers. Rather than take a business set-back in stride, they’ll hunt for scapegoats, laying blame on everyone but themselves, a strategy that rarely teaches them how to avoid future setbacks. When mojo fades, the initial cause is often failure to accept what is—and get on with life.

By understanding the impact and interaction of identity, achievement, reputation and acceptance, you can alter your mojo at work and at home. LE

Marshall Goldsmith is the author of What Got You Here Won’t Get You There, Succession: Are You Ready? and Mojo: How to Get It, How to Keep It, and How to Get It Back When You Lose It! Visit MarshallGoldsmithLibrary.com.

ACTION: Use these elements to build your mojo.

How Can I Help?

Leader's life work is to help!



by Tom Peters

THE MAIN MESSAGE IN my book, *The Little BIG Things*, a compendium of 163 ways to pursue excellence, is that *Excellence* is the result of many small tasks, all of which can be practiced and mastered.

For example, I ask you, *What do managers and leaders essentially do for a living? They help!* Right? And yet how many “leaders” could call themselves “professional helpers,” meaning that they’ve studied, like other professionals (say, neurosurgeons) to master their craft of *helping*?

Not many, I’d judge. In his book *Helping: How to Offer, Give, and Receive Help*, **Edgar Schein** gives us a few principles of helping, such as: “Effective help occurs when the helping relationship is perceived to be equitable.” And “Everything you say or do is an intervention that determines the future of the relationship.” “Effective helping begins with pure inquiry.” And, “It is the client (employee) who owns the problem.”

I love the idea that the employee is a client! Employee as client! Your employees are your “clients.” And *helping* is what we leaders “do” for a living. “Helping” is our neurosurgery!

So, think of the *Boss as Helper*. Bosses exist to help. Period. Check your calendar. Right now. What are your explicit “helping” activities today?

If your calendar is not *loaded* with helping activities, I implore you to become a student of “Helping.” Become a “Professional Helper.” *Helping* should not be a “seat of the pants” activity. Study it. Practice it. Master it.

In business and in life, success is all about the friendships (fueled by helping)! Regardless of the stakes or subject matter, collecting allies and nurturing supporters determines *whether or not the things that you care about get done*.

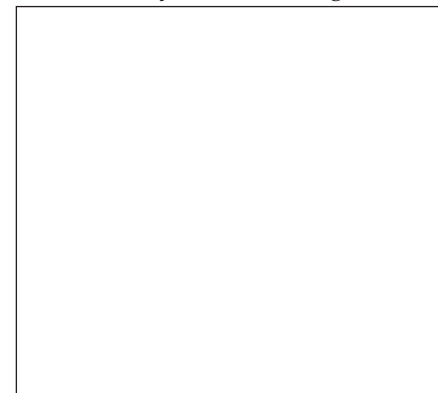
So, check your lunch schedule this week, check your calendar. Think ROIR—Return On Investment in Relationships. What’s your “investment plan” for the week? How do you plan to help people to do the things you care most about?

Priscilla! (Priscilla-ism!)

In the helping business, it always helps to have a model. My wife Susan and I and four close friends recently returned from a week-long tramp among rainforests in amazing Costa Rica. Birds! Plants! Animals! All fabulous!

But years from now I’ll mostly remember **Priscilla!** Priscilla was our brilliant driver on truly awful roads. She ranks in the Top 10 in the “God’s best smile” category. After half a day, Priscilla figured out that a Diet Coke and I should not ever be far apart. (There was always a Diet Coke waiting for me—where did she get them?)

I had trouble on several occasions. It was very hot and very humid. I hate heat. And I really hate humidity. Priscilla always had a folding chair



placed in the shade exactly when I needed it when I got back from the trail. (Such chairs appeared mystically at exactly the right moment.)

I sweat like a demon; when I changed T-shirts (often), she always hung the wet one up—and once she even somehow found a dryer while we were out on a two-hour walk, and the last shirt was dried and ready when I’d soaked through my backup. (That’s insane, that’s true, and that’s Priscilla.) Priscilla provided the same service for all six of us. She has the best attitude of the 6,000,000,000+ people on earth (and that’s a guarantee). And Priscilla has been doing this for 20 years, without letup.

Do you have a Priscilla? Several Priscillas? Understand the Power of Priscilla-ism. Accept no less than Priscillas in any customer-facing job.

Do you look for *Priscilla-ism* in virtually all employees, especially those

with customer contact? Do you understand that the *bottom* of the organization is really the *top* when it comes to details of execution and perception of “We-care-ism”?

By the way, our guide, **Jimmy**, was much like Priscilla. Priscilla and Jimmy were more important to the “Costa Rica trip” than Costa Rica was!

If you want a model of helping in business, look to **Kip Tindell**, CEO of the Container Store. He gets the helping message Big Time. That’s why a boring retailer was the #1 “best company to work for,” per *Fortune*, a couple of years ago. Follow the Container Store axiom and do not compromise on Priscilla-ism.

Tip: Be Team Tidy

If you want an earthy “help” item, start by helping keep your workplace clean, especially the bathroom.

I once happened by a particularly messy chain-store branch in the Natick Mall outside of Boston. I followed the visit with a spur-of-the-moment post that I called *100 Ways to Succeed/Make Money #1: The Clean & Neat Team! (Team Tidy?)*; I suggested that the store’s blatant disarray screamed, “We don’t care.” I said that stores, and even accounting offices, are judged as much or more on appearance as on “substance.” The appearance is a nontrivial part of the assessment of the substance—in fact, a part of the substance.

Few of my “tips” are oceanic. That is, they are mostly, “little BIG things,” such as my reaction to the messy store—or, alternatively, a spectacularly clean bathroom.

I usually fly out of Boston’s Logan Airport. The trip from my home in Tinnmouth, Vermont to Boston passes through Gill, Massachusetts. It’s exactly halfway, the 87-mile mark on my odometer—hence, the perfect place for a pit stop. With choices aplenty, I am firm in my habit of stopping at the **Wagon Wheel Country Drive-in**, a smallish coffee shop-diner. The food, including the fresh muffins, is boffo. The attitude is boffo, too.

But make no mistake, my custom is truly earned, three or four times a month, by the restroom! It’s clean-to-sparkling. (Despite the invariably crowded shop, I’ve never seen even the tiniest scrap of paper on the bathroom floor.) Fresh flowers are the norm. And, a great multi-generational collection of family pictures cover all the walls. Rushed though I typically am, I spend an extra minute examining one or another, smiling at a group

photo from a local company dinner, or some such, circa 1930 I'd guess.

To me, a clean and attractive and even imaginative look is the best "We care" sign in a retail shop or professional office—and it goes double when it comes to *employee* restrooms! So, Step #1: Mind the restrooms! Not a "Trivial Pursuit."

The restaurant's "We care so much we can taste it" or the chain store's "We don't care—we can't be bothered" is at the heart of the BIG idea of so-called *experience marketing*—which in turn is the heart of "value-added" in a crowded marketplace.

Big and Potent Ideas

I'm a sucker for a little, comprehensible, compelling nugget of a life experience that represents a *BIG and Potent Idea*; I prefer such an illustration to an elaborate example in a pithy tome from the Harvard Business School Press—complete with charts and graphs!

I am, in my passion for little stories with real people as the principal players, being consistent with my approach and fervent and guiding belief about effective enterprises first exhibited in 1982 in the book I co-wrote with Bob Waterman, *In Search of Excellence*. The main "takeaway" from that book was a "simple" assertion that was our de facto six-word motto: "Hard is soft. Soft is hard." Bob and I slapped the regnant "strategy-first" mavens in the face and said that "the 'hard' numbers" were the *true* "soft stuff"—encompassing a ridiculously limited slice of reality. And such purportedly "soft" things as "quality," "people and relationships," "core values," "closeness to the customer," and *Managing By Wandering Around* were the true "hard stuff"—these aspects of business were not "fluff"—"soft," as disdainfully portrayed by the B-schools.

Well, this book is another effort to right the ship! In fact, an inbred and determined "back-to-basics" streak has engulfed me in the last couple or so years. In part, it's in reaction to the entirely preventable financial madness that surrounds us.

I imagine you'll look at this idea or that—and I hope that a few will be compelling enough to induce you to take action, to try out one of these "little BIG things," maybe even include it in your canon and incorporate it in your daily affairs. LE

Tom Peters is author of The Little BIG Things: 163 Ways to Pursue Excellence (HarperStudio). Visit www.tompeters.com/books/little-big-things/.

ACTION: Take action on one little BIG idea.

20-Minute Leadership

Take time to have vital conversations.



by Alan Vengel

TIME IS OF THE ESSENCE. Frustrated leaders face more demands with fewer resources. One such demand is for constant coaching and mentoring.

What does it take to lead today?

Conversations—a genuine back and forth with teams and individuals—makes all the difference. However, due to time constraints, many leaders don't take the time to have these vital conversations.

Not only is coaching becoming less effective, but it's taking longer to produce less. In one survey of managers, 33 percent felt, "Coaching is too time-consuming." Managers worldwide indicate that coaching takes too long. Time is precious; 29 percent of leaders complain that they have too many direct reports for time-intensive coaching.

You may be thinking: "With all that I do, with as many people as I have, you're telling me to coach them one-on-one for better results? Do you know how long that's going to take?"

I know how long it takes because I've been sharing my *20-Minute Leader* philosophy for years. I've learned that the less time you have, the more effective you have to be. Those 20 minutes could pay off in ways that include higher ROI, more effective employees, and better sales. You don't have the time not to do it.

Less Time, More Results

You can have more results in less time—genuine, effective and productive results in 20 minutes or less. Many leaders think conversations have to last one hour to be effective. But I've discovered that team members only require 20 minutes of active conversation to produce remarkable results. We can't keep tuned in to a lecture for more than 15 to 20 minutes at a time before our attention drops dramatically.

Retention is a critical part of learning; and good leaders know that nothing is more vital to productivity than learning. According to Dr. Donald E. Wetmore, Professor at Mercy College, "We retain 10 percent of what we read,

20 percent of what we hear, 30 percent of what we see, 50 percent of what we hear and see, 70 percent of what we say, and 90 percent of what we do."

20 Minute conversations help people retain more because they become active participants in their own job growth. You can talk to an employee and they will retain 20 percent of what you say; or you can actively engage an employee in a serious back-and-forth discussion and help them retain 70 percent of what they say!

20-Minute Conversation Template

The following template will guide you through an effective *20-Minute Coaching Conversation*:

- **Expectations and importance:** Give yourself 1 to 3 minutes to state your expectations and why they are important. Team members need to know *what you expect* before they can give it to you; this opening sequence gives you the time to let an employee know exactly what you need and how important it is to the organization.
- **Questioning and listening:** Take 4 to 10 minutes to so questioning and listening. Conversations aren't one person talking and the other person listening; they are an equal partnership in the employee's growth. Spend 4 to 10 minutes, questioning the person about his or her expectations and how to achieve mutual satisfaction on an issue. Remember, employees retain 20 percent of what they hear but 70 percent of what they say.

- **Solution and agreement:** Schedule the last five minutes to select a solution and get agreement. This must be a reasonable goal that can be achieved through specific action steps upon which you both agree.

Creating a winning template for your *20-Minute Coaching Conversations* sends the message that you care about productivity to the point of being clear, concise, and compelling in your interactions with staff and team members. In turn, they'll act accordingly. When you show the courage to say what you need in a clear, direct manner, people know where you stand and what is expected. By being a role model for clear, direct communication, your message to the team is that *we can be clear and direct with each other.* LE

Alan Vengel is founder of Vengel Consulting Group and author of The Influence Edge, Sprout! and 20-Minutes to a Top Performer (McGraw-Hill). Visit www.vengelconsulting.com.

ACTION: Practice 20-minute leadership.

Extreme Leaders

They take a radical LEAP.



by Steve Farber

MANY PEOPLE WHO call themselves leaders are only posing. They're wearing the label or accepting the title without putting their skin in the game. I invite you to approach the act of leadership as you'd approach an extreme sport: learn to love the fear and exhilaration that comes with the territory. And that takes a personal commitment.

As Terry Pearce writes: "Many people think they want to be matadors, only to find themselves in the ring with 2,000 pounds of bull bearing down on them, and then discover that what they really wanted was to wear tight pants and hear the crowd roar."

If you choose to leap into the ring, do so because of your love of the challenge and adventure. Love is what makes the fear of the "sport" worthwhile. You accept the fear as part of the experience, and fear creates and defines the experience. *Extreme* would not be *extreme* without fear, and fear would not be worth it without the love of the game.

The same is true of Extreme Leadership—the dynamic interplay of fear and love. Those who actively use the experience of fear and love daily in their attempts to change the world for the better are Extreme Leaders.

Extreme Leadership is intensely personal and intrinsically scary. You are striving to change the nature of things, and that's a scary endeavor because you're asking yourself and others to give up the familiar. It is scary because you have no guarantee of a positive outcome and don't know how you are going to be judged; your credibility is on the line. Therefore, you can't participate in an authentic leadership experience without fear.

While it's true that fear can save your life or keep you from doing something stupid, avoiding it can also keep you from doing something great, from learning and growing. *Fear is a natural part of growth*, and since growth, change and revolution are all on the Extreme Leader's agenda, fear

comes with the territory.

Your experience of fear (or exhilaration) is your internal indicator that you're moving in the right direction—that you are leading. If you're using all the buzzwords and reading all the leadership books, and holding forth at every meeting on the latest management fads, but you're not experiencing that visceral churning in your gut, and you're not scaring yourself every day, you're not doing anything significant—let alone changing the world—and you are not leading anyone else.

Take a Radical LEAP

Extreme Leaders take a *Radical LEAP* (love, energy, audacity, proof) daily.

L: Cultivate love. The Extreme Leader's personal credo is akin to this



theme: *Do what you love in the service of people who love what you do.* Many consider the emotion of love to be inappropriate in business; they believe that good business people keep their hearts out of their work. The opposite is true. It's the heart that brings the fire of creativity to bear and inspires drive, loyalty and leaps of innovative brilliance.

Love is a key element in productive leader-follower and coach-employee relationships. To be an effective coach, you have to care about the person you are coaching. It's not that you should fall passionately in love with everyone you work with. However, you need to find something to care deeply about in your business and in each individual that touches your business. And it has to be real—and they have to know it.

The key, then, is to find a way to genuinely and sincerely love your customer, for example, and then act from that level of motivation. Great business

relationships are won in ways analogous to romantic relationships: by paying nearly obsessive attention to the needs, desires, hopes, and aspirations of the other person; by knowing not only when to stand firm on your principles but also when to sacrifice your short-term needs for the long-term relationship; and by proving through your actions that you mean it. Extreme Leaders actually love the customer and strive to enhance their customer's life.

E: Generate energy. Energy is real, tangible, and palpable. You know when you have it, and when you don't; you know when you have to drag yourself out of bed in the morning, and when you have to use the law of gravity to slide your slack, lifeless body off the mattress and smack on the floor.

I can tell within 30 seconds of walking into the reception area of a company whether the place is energetic, exciting, and scintillating, or a morgue. And unless it's a morgue, it shouldn't feel like a morgue. It's not an accident, either way. Someone is creating that environment; and if it's your place of employment, that someone is you.

Ask yourself: "Do I generate more energy when I walk into a room, or when I walk out of it?" Some people who are the walking vacuums of the human spirit. They are energy vampires. All they have to do is walk into the room, and they instantly suck the life out of the place. Everyone else seems to wither and die—until that person leaves. Be sure that you're not that person, that you put more energy in than you take out.

Energy is what keeps us coming back to work day after day without waning in passion or enthusiasm. It comes, in part, from having a higher purpose. People want to feel a passion for the company's work, to become part of a higher purpose. The Extreme Leader's job is to help define and redefine, day after day, what that higher purpose is—and that's very energizing to most people. As Michael Cunningham writes, "If you shout loud enough, for long enough, a crowd will gather to see what all the noise is about. It's the nature of crowds. They don't stay long, unless you give them reason."

A: Inspire audacity. Audacity is a bold and blatant disregard for normal constraints. Love-inspired audacity is *courageous*, not impudent (the word, *courage*, has at its root the word, *cor*, meaning heart). The Extreme Leader is courageously audacious in his or her actions. As Carly Fiorina said, "A leader's greatest obligation is to make

possible an environment where people can aspire to change the world." That's an audacious statement of purpose, and it begs the question: "How are we going to change the world?"

That's the *right* kind of audacity, and it demands a bold and blatant disregard of the most insidious constraint we impose on ourselves: *I can't do that. I'm not Ghandi, Mother Theresa, or Martin Luther King; I'm just me.* Frankly, that's a dangerous self-inflicted constraint. And, it's a convenient lie; in believing that lie, we abdicate our responsibility for changing *the world* to someone else.

You have direct influence over the world of your industry, company, team, community, neighborhood, family, or person in your family. These are no less noble, they add up, and they are within your scope,

So, step up to that challenge and ask: *How can we change the world of our employees, customers, and marketplace?* That's audacity. I admit, it's a much easier question to ask than it is to answer—and do something about. Even so, you have to do some something.

Provide proof. Jim Kouzes and Barry Posner have shown that credibility is the foundation of leadership, and they define credibility behaviorally as *Do What You Say You Will Do*.

You have to put your skin in the game, put yourself and your reputation at risk. You have to prove yourself through observable, daily action. It's insanely easy to talk a good game. Do you say you *love* your team? Prove it! Do you say we need to be *bold and inventive* for our customers? Prove it! Do you tell your folks that they're your *most important asset*? Prove it in every action that you take.

When you say, "I can't do that here" or "they won't let me," your credibility as an Extreme Leader is shot. When you're convinced that you can change things for the better, you have to prove it through the radical courage of your action. Gandhi said: "Be the change you want to see in the world."

We typically express *accountability* as *what we desperately want other people to be*. While change, improvement, and success are ultimately the results of a collective effort, nothing ever happens unless you hold yourself ridiculously accountable to your own words. That's how you prove you've earned the status of Extreme Leader. That's how you prove you're not a poser. **LE**

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ACTION: Take the radical LEAP.

Employee Pride

Engagement drives growth.



by Kevin Sheridan

WORD OF MOUTH IS one of the best communication methods for consumers to hear about products and services. Employees who promote their organization show pride in their work and in the organization.

Pride carries different meanings, depending on the context. It can be seen as a person's sense of his or her influence as a role model within a culture, created by praise or criticism from outside sources or from internal reflection. Pride can also be viewed as a vice or indulgent thought of oneself. But in business, employee pride has positive effects. Pride in work can only exist in a culture that nurtures engagement.

Pride can be measured through *employee engagement surveys*. Our research shows that employee pride is at a high level:

- 71 percent of employees say that they would proudly recommend their organization as a good place to work to a friend or relative.
- 75 percent of employees agree: "My work is personally rewarding."
- 71 percent agree with the statement "I leave work

often with a *good feeling of accomplishment* about the work I did that day."

In healthcare, word-of-mouth recommendations are vital. There's no better endorsement of a hospital than this statement: "If I needed medical care, I'd want to be treated at this organization." Based on our *Healthcare Normative Database*, 74 percent of employees strongly agree with this statement. This proves that many employees, especially those who take pride in their work, will take the time to recommend and promote their organization, leading to increased revenue.

You foster employee pride by further enhancing employee engagement and loyalty. These improvements create a path for increased pride, employee productivity and business outcomes. We offer *five best practices* to create a culture of pride and engagement:

1. Create initiatives to communicate the positive attributes of the organiza-

tion during staff meetings and informal conversations.

2. Create a list of positive attributes directly from engagement survey highlights and open-ended comments. Make this list visible to employees to ensure that the information reaches all areas. Also, use the list of positives for recruiting purposes to attract the best talent.

3. Meet with employees to determine why they would or would not recommend the organization as a good place to work and formulate action plans.

4. Establish an award program to recognize *employee contributions*; these could be as small as rewarding on-the-spot, to developing an employee-of-the-month initiative. Employees gain a sense of pride through recognition, which greatly impacts engagement.

5. Match employees' daily tasks to employee personality traits and values. Create a *positive environment* that focuses on *daily accomplishments*. By setting attainable goals, employees can reflect positively on their day.

Although these best practices are directed at managers, employees need to understand that pride is a *personal feeling*. Creating and enhancing en-

gagement should be a joint responsibility that is shared by management and employees alike. No matter how many programs are created to cultivate pride, *each employee is ultimately in control of his or her own pride and engagement.*

The benefits of high engagement can't be ignored. Just as happy customers

help to drive new business, engaged and proud employees naturally create a captivating culture, driving consumers to the organization. Employee engagement also influences turnover and financial performance. Engaged employees are six times more likely to stay with their organization than their disengaged counterparts!

To create a sense of pride in one's work, high engagement is imperative. Creating a *culture of engagement* benefits both employee and employer. Turnover will be reduced, lessening the strain on the company financially and enabling revenue growth. In turn, employees will have greater job security as financial metrics become stable, even profitable. Don't underestimate *the power* of employee pride and engagement. **LE**

Kevin Sheridan is the CEO of HR Solutions, Inc. Visit www.hrsolutionsinc.com.

ACTION: Foster pride in your organization.

New Model Leaders

They possess new skill sets.



by Craig Perrin

AS ECONOMIES AND job markets worldwide wobbled the past two years, people felt their wellbeing threatened. The need for an antidote—skilled leadership—has been acute. Nearly every industry—especially the automotive, banking and real estate industries—sought new leadership ideas. Further, the uncertainty pushed people lacking formal authority to step up and lead in new ways. Many managers became *de facto* leaders.

As companies confront how to proceed during the fragile recovery, the problems facing them will create a demand for people who demonstrate more than purely business skills.

In fact, there are *six leadership zones*, each containing *specific practices* that exemplify a *new leadership model* needed to succeed now and in the future.

The core questions that guided our research included: What constitutes effective leadership today? How has leadership changed to keep pace? What behaviors are still important for leaders?

Our research revealed a core set of leadership practices in six different zones. These zones will help you get on the right leadership path.

1. Reflection. Leaders assess motives, beliefs, attitudes and actions, asking, “How can I make sure my limitations don’t lead me to make poor decisions?” To succeed in this zone, leaders:

- Take responsibility for their mistakes.
- Seek to make sense of *the big picture*.
- Examine what role they play in the challenges that they face.
- Treat *failure* as a *chance to learn/grow*.
- Reflect often on their performance.
- Give serious consideration to opinions that differ from their own.
- Speak frankly with others to learn from them and build trust.

2. Society. Leaders apply principles such as fairness, respect, and *the greater good* to balance individual and group well-being. To succeed here, leaders:

- Act ethically to serve the larger good, not just to obey the law.
- Encourage others to take socially responsible action.

- Openly challenge what they consider unethical decisions and actions.
- Take action to benefit others, not just themselves.
- Recognize and reward others based on merit, not on politics.
- Make fair decisions, even if they have a negative impact on themselves.
- Reduce environmental harm.

3. Diversity. Leaders respect and leverage such basic differences as gender, ethnicity, age, nationality and beliefs. To succeed in this zone, leaders:

- Strive to meet the needs of customers representing other cultures.
- Encourage collaboration among people from different groups.
- Display sensitivity in managing across cultural boundaries.
- Collaborate well with people who are very different from themselves.



- Effectively lead groups made up of very diverse people.
- Learn about the business practices of other cultures.
- Manage virtual teams with explicit customer-centric goals and practices.

4. Ingenuity. Leaders offer and execute practical ideas—and help others do the same—to create a climate in which innovation can thrive. To succeed in this zone, leaders:

- Help other people to adapt quickly.
- Help groups to develop a shared picture of a positive future.
- Develop themselves with the goal of improving overall group capabilities.
- Solve real-world problems by thinking clearly and engaging others.
- Tell stories to motivate others to achieve strategic goals.
- Create a culture of innovation.
- Promote speed and flexibility.

5. People. Leaders connect with others on the human level shared by all to earn commitment, inspire effort, and

improve communication. To succeed in this zone, leaders:

- Read a range of emotions in others and respond appropriately.
- Adapt to the leadership needs of different groups.
- Help resolve work-life balance issues.
- Make a daily effort to inspire the trust of customers and colleagues.
- Minimize the negative human impact of their decisions and actions.
- Build and maintain a cross-functional task network.
- Communicate well with customers and colleagues at all levels.

6. Business. Leaders develop strategies, make and execute plans and decisions, organize the work of others and guide effort toward predicted results. To succeed in this zone, leaders:

- Adapt quickly to changing conditions.
- Manage the costs of operation.
- Learn new ways to make the business competitive.
- Develop and implement effective business plans.
- Analyze and use hard data to promote business results.
- Manage customer acquisition, retention, and lifetime value.
- Clarify their vision and mission.

Two-thirds of people from the top 20 companies for leadership say they are expected to lead even when they are not in a formal position of authority. At other companies, that figure is 35 percent. The top 20 companies are more likely to be focused primarily on positioning for the future.

Companies committed to leadership development are investing in developing new career paths for their top performers. Understanding the leadership zones is vital. The zone model of leadership suggests that a *manager is a leader with many vital things missing*. Seen this way, a manager is competent primarily in one zone: Business. Managers make and execute plans and decisions, organize the work of others and guide effort toward desired results.

Leaders must do these things too, but they must also demonstrate ability within the model’s other five zones. A manager has vital organizational value: *without business results, no one succeeds*.

Complex problems demand greater reflection. People respond when they’re engaged emotionally, not just intellectually. Today’s leaders must *move smoothly through multiple zones and practices* to keep on track for success. **LE**

Craig Perrin is the Director of Solution Development for AchieveGlobal, providing interpersonal skills and the workforce you need for business results. Visit www.achieveglobe.com.

ACTION: Cultivate these six skill-sets.

Who's Now Leading?

Poltergeists may haunt the halls.



by Gary Hamel

WHO'S LEADING AND managing your company? You might answer, "the CEO" or "management team." And you'd be right, but to a large extent, your company is being managed right now by a small coterie of long-departed theorists and practitioners who invented the rules and conventions of "modern" management a century ago. They are the poltergeists who inhabit the musty machinery of management. Their edicts, echoing across the decades, invisibly shape the way you allocate resources, set budgets, distribute power, reward people, and make decisions.

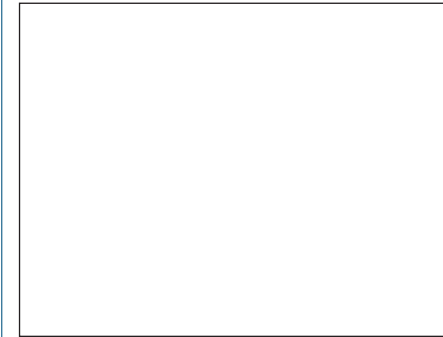
So pervasive is the influence of these patriarchs, that *the technology of management* varies only slightly from firm to firm. Most companies have a similar hierarchy (a cascade of EVPs, SVPs, and VPs); analogous control systems, HR practices, and planning rituals; and rely on comparable reporting structures and review systems. That's why it's so easy for a CEO to jump from one company to another—the levers and dials of management are similar in every corporate cockpit.

Yet unlike the laws of physics, the laws of management are neither fore-ordained nor eternal—and a good thing, too, for the equipment of management is now groaning under the strain of a load it was never meant to carry. Whiplash change, fleeting advantages, technological disruptions, seditious competitors, fractured markets, omnipotent customers, and rebellious shareholders are testing the design limits of organizations, and exposing the limitations of an antiquated management model.

Management is out of date. It's a technology that has largely stopped evolving. That's not good because *management*—the capacity to marshal resources, lay out plans, program work and spur effort—is central to the accomplishment of human purpose. When it's ineffective, we all pay a price. What ultimately constrains performance is not the business or operating model, but the management model.

My goal is to help you become a management pioneer, to equip you to reinvent the principles, processes, and practices of management. *Management innovation* (MI) has a unique capacity to create a long-term advantage for your company. But you must first imagine, and then invent, *the future of management*. Frankly, today's best practices aren't good enough. Even the "most admired" companies aren't as adaptable, innovative, or fun to work in as they should be. When it comes to the future of management, you'd rather lead than follow. So I invite you to invent *tomorrow's* best practices today.

Rather than try to sell you *my* point of view about the future, I encourage you build your own agenda for management innovation, and then execute against it. I can coach, but in the end,



the vision and execution must be yours.

I dream of organizations capable of spontaneous renewal, where the drama of change is unaccompanied by the wrenching trauma of a turnaround, where an electric current of innovation pulses through every activity, where the renegades always trump the reactionaries. I dream of companies that deserve the passion and creativity of the folks who work there, and naturally elicit the very best that people have to give. Of course, these are more than dreams; they are imperatives—and they can only be surmounted with inspired management innovation.

I write for dreamers *and* doers, for everyone who feels hogtied by bureaucracy, who worries that the "system" is stifling innovation, who secretly believes that the bottleneck is at the top of the bottle, who wonders why corporate life has to be so dispiriting, who feels that individual competence and positional power should be more tightly correlat-

ed, who thinks that people really are smart enough to manage themselves, who knows that "management," as currently practiced, is a drag on success—and *wants to do something about it.*

I call for nothing less than revolutionizing how organizations are structured, managed and led, and for building companies that are *as nimble as change itself, innovative from top to bottom, and awe-inspiring places to work.*

Innovation in management—rather than in operations, products, or strategies—is most likely to create long-term advantage. You can get a head start on the future by building tomorrow's best practices today. But you'll need to see the toxic effects of old management beliefs. Sadly, as much as you might deplore *bureaucracy*, it still constitutes the prevailing organizing principle. And while some managers may work to ameliorate its stultifying effects, few can imagine a *root-and-branch* alternative.

When it comes to innovation, most companies have a huge blind spot. Perversely, the sorts of innovation that are *least* likely to produce long-term competitive advantage—operational innovation and product innovation—get the most attention. Yet MI yields the biggest, longest-lasting performance advantages when one or more of three conditions are met: the innovation is based on a *novel management principle* which challenges some long-standing orthodoxy; the innovation is *systemic*, encompassing a range of processes and methods; and innovation is part of an *ongoing program* of rapid-fire invention where progress compounds over time.

In an age of wrenching change, the most valuable human capabilities are precisely those that are least *manageable*: nerve, artistry, élan, originality, grit, non-conformity, valor, derring-do. *These qualities create value.* In contrast, the qualities management fosters and rewards include: self-discipline, economy, orderliness, rationality, prudence, reliability, moderation, fastidiousness—*no wonder organizations are less resilient and inventive than the people who work for them.*

The most bruising skirmishes today are fought along the lines that separate those who seek to defend the prerogatives, power, and prestige of their bureaucratic caste from those who hope to build less structured, less tightly managed firms that elicit and merit the best that people have to give.

The belief *you can't manage without managers* is the mother of all management orthodoxies. Largely, managers play the role of parents, principals,

and hall monitors. They employ *control from without* since employees are deprived of exercising *control from within*.

New problems demand new principles. There's simply no way to build essential new capabilities—resilience, innovation, and engagement—atop the scaffolding of 20th century management principles. *Few executives think about the principles that underlie their views on how to organize, manage, and lead.* Modern management is a quest to regularize the irregular, starting with *errant and disorderly employees*. Increasingly, though, we live in an irregular world, where irregular people take advantage of irregular events and use irregular means to produce irregular products that yield irregular profits.

What things have shown *adaptability over centuries*? Life, markets, democracies, faith, and cities. These biological and human systems are far more resilient, and compared to companies, they're *under-managed* or *un-managed*.

To discover *radically* better ways of leading, organizing and managing, look beyond today's "best practice." Look someplace weird and unexpected. Seek out the *positive deviants* that defy the norms of conventional practice.

Imagine what a *democracy* of ideas would look like: employees would feel free to share their thoughts and opinions, however politically charged; no single gatekeeper could quash an idea or set the boundaries on its dissemination new ideas could garner support before being voted up or down by execs; and the internal debate about strategy, direction and policy would be open, vigorous, and uncensored.

In an ideal management system, power is automatically redistributed when environmental changes devalue executive knowledge and competence. Yet the question that *obsesses* managers—*How can we get more out of our people*—is loaded with old thinking: How do *we* (management) get *more* (units of production per hour) out of *our* people (individuals who are obliged to follow our orders)? Ironically, the management model encapsulated in this question virtually guarantees that a company will *never* get the best out of its people. Vassals and conscripts may work *hard*, but they don't work *willingly*.

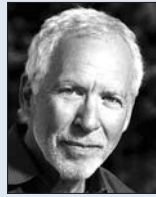
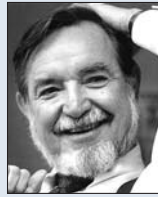
In the future, the *work of management* is less the responsibility of "managers." Increasingly, this work will be distributed to those on the periphery. LE

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ACTION: Engage in management innovation.

Limits of Consumption

Satisfaction can't be purchased.



by John McKnight and Peter Block

THE ESSENTIAL PROMISE OF A CONSUMER society is that *satisfaction can be purchased*. This promise runs so deep in us that we've come to take our identity from our capacity to purchase: *I shop, therefore I am*. The dependency on shopping is not just about *things*, it includes the belief that *what is fulfilling or needed in life can be bought*—from happiness to healing, from love to laughter, from raising a child to caring for someone.

In our effort to find satisfaction in consumption, we're converted from *citizens to consumers*. The implications are profound. Consider just two consequences: impact on the function of the family and competence of the community.

The family has largely lost its function. It is no longer the primary unit that raises a child, sustains health, cares for the vulnerable, and assures economic security. And, we are largely disconnected from our neighbors, isolated from our communities. Hence, community and neighborhood are no longer *competent*—*competence* meaning the capacity of the place where we live to be useful to us, to support us in creating those things that can only be produced in a connected community.

Competent communities support the capacity of a family to fulfill its functions. They provide a safety net for the care of a child, attention and connection for the vulnerable, economic survival for the household, and the social tools that sustain health.

In a consumer society, these functions are removed from family and community and provided by the marketplace; they are designed to be purchased. We now depend on systems to provide our basic functions. For example: we expect the school, coaches, agencies and sitters to raise our children. We expect doctors to keep us healthy. We believe in better living through chemistry. We think that youth, a flat stomach, a strong heart,

even sexual desire are all purchasable. We sell our souls to orchestrating our children's lives. We don't have a life of our own but live vicariously through our children, isolated and insulated in our cars. We want social workers and institutions to take care of the vulnerable in retirement homes. The space the family and community were designed to fill has been sold and is now empty. *The lost community has to be re-found.*

Consumer way: lives of scarcity and consumption. We are familiar with the spiritual downside of materialism, the social competition of conspicuous consumption, the effects of waste on the environment, the ethical questions of planned obsolescence, and the effects of consumerism on the isolation and loneliness common in our cities. Our culture is created and sustained by an institutional way of life—one that is not our own. It is to live a managed life, organized around the products, services and beliefs of systems. This is a direct result and demand of the built-in structure and assumptions of a consumer society—and our dependence on specialists, people expertly trained to provide through the marketplace *what we once provided for ourselves*.

Citizen way: lives of abundance and cooperation. Consuming has its attractions, but for true citizens it is not the point or provider of the good life. *We know how to do without. Make ends meet. Make do. We do this together. We take care of our own. There are no foster kids, only grandmothers and cousins.*

These are beliefs of people who live in a competent community, who live in a way they have chosen and who experience a more satisfied life. They are less dependent on the material culture and its requirements and call. They do not work in systems nor reap the benefits of them. They think they have enough; their mindset is abundance, not scarcity. Their families have a function, and they have the power to provide.

The way to the good life is the way of a competent community recognizing its abundance. We see that if we are to be *citizens*, together we must be the *creators* of our future—we must become *citizens*, not *consumers*. *Consumers* are dependent on the creations of the market; and in the end, they produce nothing much but waste. LE

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ACTION: Become a socially responsible citizen.

Character of Leadership

Make it the aim of development programs.



by Phil Eastman

IT WOULD BE NICE IF becoming an effective leader were easy—and if all the ideas and techniques you read about or experience in workshops were simple to use. However, the real world is something else. Becoming a great leader is hard work. Being a leader is a tremendous responsibility. The challenges are many, the demands steep, but the rewards are magnificent.

The Leadership Development (LD) industry has softened the reality of leadership, boiling it down to formulas, tips, and tricks. *But LD is a lifelong pursuit in which time and experience matter greatly.* Like any long-term process, it is fraught with pain and exhilaration. To complicate the process, the development of leadership ability does not even begin with *leadership*—the ability to lead is built on *character*. Every leader leads from character, and the shaping of a leader's character is paramount for any organization looking to distinguish itself.

In 1987, I joined a failing company that was part of a crippled industry: I worked as a commercial lending officer for a savings and loan. I was young, and I was fortunate that this move was not the end of my banking career. Nonetheless, motivated to be part of the industry's newly expanded powers in commercial lending, I joined the staff of a savings and loan. Little did I know that the recently granted lending powers were a final attempt on the part of regulators to save an industry that was terminally ill. The S&L industry had been in trouble for years, and the demise of that sector ultimately cost the U.S. taxpayers \$150 billion in 557 institutional failures. The major causes of the collapse were: changing market conditions, over-investment in single-family residential mortgages, expanded regulatory authority, and weak regulatory oversight.

Of those four major causes, only the first is economic—the other three relate to leadership. The concentration of investment in mortgages, the expansion of powers to weak institutions, and continued poor regulatory

oversight were all *leadership decisions*. We have seen many similar leadership decisions in our financial-sector crisis.

The leadership decisions made as part of the current financial crises have not been a matter of leadership ability, but a matter of character. Leaders did not show the strength to stand against the thread of greed woven throughout capitalistic systems. Neither did they learn from past mistakes.

Beyond this illustration, the daily headlines overflow with examples of leaders whose character shortcomings crippled their ability to lead effectively. Based on those examples, it would be easy to approach character-based LD from a position of fear, with an eye to toward mitigating the risk that leaders with poor character represent. We see this approach in the endless codes of conduct produced to keep people from



doing the wrong things. The brutal reality is this: Policies, processes, and regulations will not curb the behavior of leaders whose character is deficient.

The risk-mitigation approach to character and LD is appealing because it is easier to see character clearly when it is fractured, rather than when it is whole. However, the more powerful (and difficult) approach is not to focus on the endless tales of failure, but to choose a character model to serve as the basis for your LD efforts.

This positive approach permeates my thinking. I advocate for a model upon which leaders can build their leadership and do so with the confidence of two millennia of history.

The *Character of Leadership* model has two basic propositions. First, leadership is inside out; your character gives rise to your leadership. Since character fuels leadership, the exploration of character is of paramount concern to every organization serious

about LD. Second, context is everything. Every leadership setting is different, and the leader's behavior must adjust to fit the group and situation that the leader is responsible for.

I didn't create the *Character of Leadership* model; I discovered it. The model has its origins among the Greeks who noted that character is comprised of *four cardinal virtues* (elements): *Courage, Temperance, Justice, and Wisdom*. First-century leaders added *Hope, Love, Faith*.

Faith is the central element in the Character model. Faith, *the unique ability of human beings to unwaveringly believe in something they can't rationally prove*, is at the core of a leader's character. I am not speaking of religion or spirituality. Each of us has a belief system that gives rise to how the rest of the elements of character demonstrate themselves in us. What I believe will reveal itself in the way I demonstrate Justice, Temperance, Hope, Wisdom, Love, and Courage. The rest of the elements link together like puzzle pieces.

Human character is the whole of the seven elements working together.

I describe each element in leadership terms: *Faith* is leading from a clear set of positive core values that are demonstrated through actions. *Justice* is leading by doing what is right, even when it is difficult and costly, leading selflessly and fostering personal and team accountability. *Temperance* is leading with personal humility, passion, and self-control. *Hope* is leading by sincerely and convincingly articulating a bright future, especially when the immediate circumstances look bleak. *Wisdom* is leading by effectively applying accumulated knowledge and experience to current situations. *Love* is leading by demonstrating a genuine concern, care, and compassion for people. *Courage* is leading by boldly seizing opportunities and dealing with challenges.

Beyond these descriptions, the *Character of Leadership* model contains 36 behaviors that serve as a beginning for a character-based leadership program. *This model* might serve as the start of your character-based leadership journey. Your LD program needs a strong character component. This model provide a beacon from which you can navigate, because *the challenges we face today are not economic, environmental, social, or legal—they are challenges of character and leadership.* LE

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ACTION: *Develop the character of your leaders.*

Leadership Betrayal

When leaders promise, but don't deliver.



by Bud Taylor

MANY PEOPLE ASPIRE to be leaders. It's the pinnacle of their profession. They start out as individual contributors where they get results through skill, raw talent, and force of will. Next they learn the mechanics of management. Their ability to get results augments exponentially; but there is a limit. They can only get results through resources they control, like the people they actually "touch." Finally they come to understand that transformations, the big bangs, come through leadership—that mystical ability to inspire and excite others to do extraordinary things. "I have a dream . . ."; "ask not . . ."; "reach for the sky . . ."

Why do we follow these people?

We're told that it's because they can communicate. They reach our souls. They connect with us at a deep level of trust. We believe in their words and how those words make us believe in ourselves. We're led to believe that: *Inspirational words = self-confidence = aspirational goals.*

That may be true in motivational speaking and evangelical eulogizing, but leadership in business is more than talking and sermonizing—it is more than infusing people with hope and sending them on their way. Inspiring people with the excitement and vision of flight is figuratively uplifting—until they step off the edge of a cliff. At this point, they learn the hard reality of Leadership Betrayal.

Who Do You Trust?

Why do we trust people when they are painting us the *too-good-to-be true picture*? How have they convinced us that we can do something that hasn't even entered our dream space?

We believe because we not only believe in their words, but we believe in them. Their self-confidence can be overpowering, particularly when their leadership melds with hubris. We implicitly believe that their inspiration comes with their support. The Grande Armee believed in Napoleon because he was the first to charge into adversi-

ty. He painted the inspirational vision and then made the decisions to bring it into a focused picture.

When our leaders speak, we interpret this to mean that their ideas will be backed up with what we need to implement the grand new idea. There will be resources, supply chains, systems and controls, legal agreements and whatever else is necessary to *transform the ordinary into the extraordinary*. And we expect to bask in the radiance of the leader as we work to change the world.

Leadership Betrayal happens when the vision isn't being achieved, when resources become scarce, and the leader is out chasing a new shiny thing. The vision is exposed as unattainable in the absence of the elite talents of the leader.

However, leaders see it differently. They see that people are empowered



to make things happen. They lose faith in people and start to see them as a mere mortal—"just another mechanic who can't turn my ideas into reality."

The leader withdraws resources and attention. Leadership Betrayal goes into ever decreasing concentric circles until intense acrimony destroys both parties. Enron's Ken Lay is likely the icon, but leaders in financial services have recently challenged him for the crown. Maybe Ken Lewis at Bank of America would like to rethink Merrill-Lynch; and surely investors regret their faith in Bernie Madoff. Does it have to end this way?

A "Re-set" on Leadership

Do you have the problem of leadership betrayal? Do leaders communicate big ideas? Do the ideas get implemented, or do they atrophy? Do others follow or fade away? Is there a pattern of inspiration and stagnation followed by

bitterness? If so, then you have been infected with leadership betrayal.

The gap between leadership and betrayal comes in three forms: 1) *Attention*. Followers love the glow from *sun king* leaders. If the leader energizes and then abdicates, inexperienced followers will feel abandoned and lose energy. 2) *Talent*. Sometimes leaders have special talents that evade followers. Some people sell better than others; while others raise capital. If the follower can't match up to the leader's uniqueness, performance will suffer as frustration and disappointment set in. And 3) *Resources*. Even resourceful followers can't meet goals in the absence of adequate resources. Asking for resources turns into whining that leads to defeat.

How do you reverse this trend? Training the leader can be tedious and repugnant to them. Finding a *trusted* lieutenant is tricky. Who can you trust when the issue is potential betrayal? When will internal politics overcome the good intentions of the lieutenant?

The best way to guard against *Leadership Betrayal* is to support leaders with structure. Even leaders have to learn to create *within established guidelines*.

Here are **four critical points** where you can protect your leaders:

- **Vision**. The vision is the energizing starting point. It can't be precise; however, it must be founded in the discontinuities of change that surround the business as well as one of three values: service to customer; quality products/services; or respect for the innovative talents of employees. *Which is the primary driver and is everyone on this page?*

- **Migration path**. The vision gets clarified as the idea passes through stages and gates. Challenge each milestone by defining "what's in and what's out." Then agree on *what you have to believe* to achieve the milestone—what are the assumptions. Only at this point can you reasonably assign resources, and understand where they're needed most.

- **Competence**. Use a structured process to choose those who'll be charged with implementing the vision. You want people who can manage for results and lead people. Don't ask a technician to be Steve Jobs.

- **Reward**. A leader's grandiose vision usually implies a grandiose reward; but not every idea results in a promotion or short-term wealth. The quickest road to betrayal is overstating the reward.

Leadership is a rare quality. Support it. It should never result in betrayal. **LE**

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ACTION: Avoid leadership betrayal.