

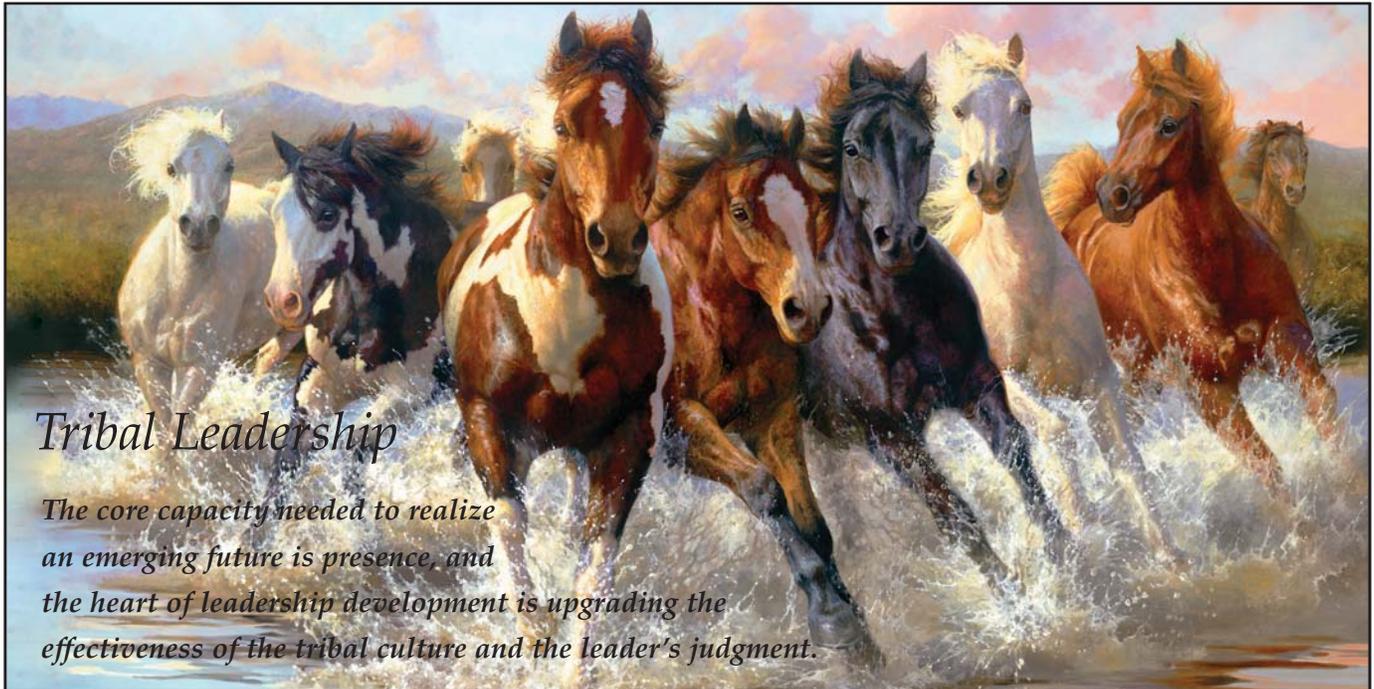
LEADERSHIP Excellence

Warren Bennis 

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

VOL. 25 NO. 2

FEBRUARY 2008



Tribal Leadership

The core capacity needed to realize an emerging future is presence, and the heart of leadership development is upgrading the effectiveness of the tribal culture and the leader's judgment.

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Authentic Leaders Add Value

Counterfeit leadership comes at a high cost.



by Ken Shelton

RECENTLY ON A FLIGHT FROM Phoenix to Salt Lake City, I enjoyed a panoramic view of the Grand Canyon, one of the natural wonders of the world.

Again this month, as I peruse the business press, I'm impressed with the Grand Canyon gap between the results delivered by authentic versus counterfeit leaders (natural wonders of their own worlds). The primary cause of counterfeit? Erosion of vision, purpose, passion, ethics, discipline, and willpower. The primary product of counterfeit leadership? SILT (suboptimal implementation of leadership talent).

Because every other business magazine is caught up in the news and views of celebrity leaders, we try to reinforce the moral "True North" of authentic leadership.

Two decades before Bill George, former CEO of Medtronic, authored *Authentic Leadership* and *True North*, I was writing articles and book chapters on these topics with Stephen Covey. I'm pleased to see these concepts find homes at www.authleadership.com and www.truenorthleaders.com. The Authentic Leadership Institute is identifying many of the best examples (Anne Mulcahy at Xerox, Kevin Sharer at Amgen, GE's Jeff Immelt, Howard Schultz at Starbucks, and Marilyn Carlson Nelson at Carlson Group), and we are featuring their thought leadership.



Bill George



Robin Sharma

What Authentic Leaders Do

I like what Robin S. Sharma, president of Sharma Leadership and author of *MegaLiving* (wisdom@robinsharma.com), wrote about 10 things authentic leaders do:

1. They speak their truth. We often say things to please others or look good. Authentic leaders consistently talk truth, using words aligned with who they are. Speaking truth is about being clear, honest, and authentic.

2. They lead from the heart. Leadership is about people. The best leaders wear their hearts on their sleeves and show their vulnerability. They genuinely care about other people and spend time developing them.

3. They have rich moral fiber. Who you are speaks louder than anything you say. Strength of character is true power—and people can feel it. Authentic leaders walk their talk. People trust, respect and listen to them.

4. They are courageous. It takes courage to go against the crowd, be a visionary, and do what you think is right. Many people walk the path of least resistance. Authentic leaders take the road less traveled.

5. They build teams and create communities. People are looking for a sense of community in their work, a sense of connection. Authentic leaders create workplaces that foster linkages and lasting friendships.

6. They deepen themselves. Authentic leaders know themselves, nurture a strong self-relationship, know their weaknesses, play to strengths, and transcend fears.

7. They are dreamers. Authentic leaders dare to dream impossible dreams, new possibilities. They create blueprints and fantasies that lead to better products and services.

8. They care for themselves. Taking care of your body is a sign of self-respect. Authentic leaders eat well, exercise, care for their bodies, and perform at high levels.

9. They commit to excellence rather than perfection. Authentic leaders commit to excellence in all that they do. They raise the standards. What would your life look like if you raised your standards beyond what anyone could ever imagine of you?

10. They leave a legacy. To live in the hearts of people is to never die. Success is wonderful; significance is better. You build legacy by adding value to everyone that you deal with and leaving the world better.

"What would your life and leadership look like, how brightly would your light shine, if you stepped out of the limitations that keep you small and stretched yourself into the place that you know you are meant to be?" asks Sharma. "Authentic leadership is all about being the person you know in your heart you are destined to be. It does not come from your title or paycheck—it comes from your being and the person you are."

May you become a more authentic leader this year with *Leadership Excellence*. LE

Ken Shelton

Subscription and Renewal Rates:

\$129 annual (12 issues)
\$199 two years (24 issues)
\$279 three years (36 issues)
(Canadian/foreign add \$40 U.S. postage per year.)

Corporate Bulk Rates (to same address)

\$109 each for 6 to 25
\$99 each for 26 to 99
Call for rates on more than 100 copies:
1-877-250-1983
Back Issues: \$10.00 each
Fax (one article): \$8.00

Leadership Excellence (ISSN 8756-2308), published monthly by Executive Excellence Publishing, 1806 North 1120 West, Provo, UT 84604.

Article Reprints:

For reprints of 100 or more, please contact the editorial department at 801-375-4060 or send email to editorial@eep.com.

Internet Address: <http://www.eep.com>

Editorial Purpose:

Our mission is to promote personal and organizational leadership based on constructive values, sound ethics, and timeless principles.

Editorial:

All correspondence, articles, letters, and requests to reprint articles should be sent to: Editorial Department, Executive Excellence, 1806 North 1120 West, Provo, Utah 84604; 801-375-4060, or editorial@eep.com

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For additional information on artwork by Bonnie Morris, please contact: Greenwich Workshop, 151 Main Street, Saymour, CT 06483, 1-800-243-4246, www.greenwichworkshop.com

Full view of table of contents art.



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Executive
Excellence
Publishing

Alternative Future

Consider presence and purpose.



by Peter M. Senge, C. Otto Scharmer, Joseph Jaworski, and Betty Sue Flowers

WITH SO MANY SOCIAL SYSTEMS—families, companies, governments, communities and societies—in disarray, it seems that the future does not look promising. The scenarios we imagine most easily reveal our worst fears rather than the desired legacy.

What can you do? To create the world anew, you'll be called to participate in changes that are both deeply personal and inherently systemic, experience extraordinary moments of collective presence or awakening, and witness the consequent shifts.

One such moment occurred in South Africa in 1990. Peter was co-leading a three-day workshop near Johannesburg with black and white South Africans who were being trained to lead the program on their own. Many took personal risks to participate. On the last day of the program, the group heard President F. W. de Klerk give the speech that set into motion the ending of apartheid.

Later, the group watched a video of Martin Luther King, Jr.'s "I have a dream" speech and then expressed their feelings. One Afrikaans executive said that he had been raised to think of his counterparts as animals, and then he began to cry. As we watched this, we saw a huge knot become untied.

We now seek to understand better how such moments—and the forces for change they signal—come about. The deep dimensions of transformational change represent unexplored territory. This blind spot concerns not what we as leaders do and how, but who we are and the inner place or source from which we operate.

Presence offers a theory of profound change, based on understanding the nature of wholes, and how parts and wholes are interrelated. We tend to think of wholes as made up of many parts, assembled from the parts.

But living systems, such as your body or a tree, create themselves. They are not mere assemblages of their parts but are continually growing. And, the generative field of a living system extends into its environment and connects the two. For example, every cell contains identical DNA information for the larger organism, yet cells also differentiate as they mature because cells develop a kind of social identity according to their context and what is needed for the health of the larger organism. When a cell's morphic field deteriorates, its awareness of the whole deteriorates. A cell that loses its social identity reverts to blind, undifferentiated cell division (cancer), which can threaten the life of the larger organism.

To appreciate the relationship between parts and wholes in living systems, you simply need to gaze up at the nighttime sky. You see all of the sky visible from where you stand. Yet the pupil of your eye, fully open, is less than a centimeter across. Somehow, light from the whole of the sky must be present in the space of your eye. Light from the entirety of the nighttime sky is present in every space—no matter how small. This same phenomenon is evident in a hologram, revealing that "everything is in everything."

In nature, "the part is a place for the presencing of the whole." This awareness is stolen from us when we accept a view of wholes assembled from parts.

Emergence of Living Organizations

Nowhere is it more important to understand the relation between parts and wholes than in the evolution of global organizations and their systems. Global organizations are proliferating, along with the infrastructures they cre-

ate for finance, distribution, supply, and communication. This expansion is affecting life for other species.

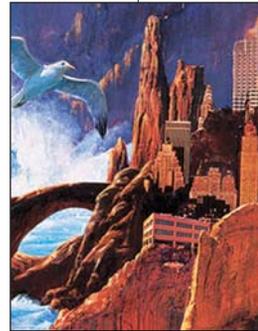
Historically, no individual, tribe, or nation could alter the global climate, destroy thousands of species, or shift the chemical balance of the atmosphere. Yet that is happening today, as our individual actions are mediated and magnified through the growing network of global institutions. That network determines what technologies are developed and how they are applied. It shapes political agendas as governments respond to the priorities of global business, international trade, and economic development. It reshapes social realities as it divides the world between those who benefit from the new global economy and those who do not. And it propagates a global culture of instant communication, individualism, and material acquisition that threatens family, religious, and social structures.

So, rather than attributing the changes sweeping the world to a handful of all-powerful individuals or faceless "systems," we can view them as the consequences of a life form that can grow, learn, and evolve. But until that potential is activated, organizations will expand blindly, unaware of their part in a larger whole or of the consequences of their growth.

While a living system continually re-creates itself, how this occurs in global organizations depends on our level of awareness. Businesses and their members are places for the presencing of the prevailing systems of management. As long as our thinking is governed by habit—notably by control, predictability, standardization, and speed—we'll continue to re-create organizations as they have been, despite their disharmony with the world. Most global organizations have not yet become aware of themselves as living. Once they do, they can become a place for presencing the whole *as it might be*, not just as it has been.

When we act in a state of fear or anxiety, our actions revert to what is most habitual: our instinctual behaviors dominate, reducing us to fight-or-flight programming. Collective actions are no different. Even as conditions change dramatically, most organizations continue to take the same actions.

Some learning occurs, but it is limited to learning how best to react to cir-



Tribal Leadership

What's your dominant culture?



by Dave Logan, John King and
Halee Fischer-Wright

EVERY COMPANY IS A TRIBE OR NETWORK of tribes—groups of 20 to 150 people in which everyone knows everyone else, or at least knows of them. It's a fact: birds flock, fish school, and people "tribe." Tribes are more powerful than teams, companies, or superstar CEOs, yet their key leverage points haven't been mapped—until now.

Great leaders know they can't instantly change the culture with gimmicks or trendy initiatives. They focus on developing their culture one "tribe" at a time. The heart of leadership development is helping leaders to upgrade the effectiveness of their tribes, taking them from *adequate* to *outstanding*.

Tribal leaders focus on building the tribe—or upgrading the tribal culture. If they succeed, the tribe recognizes them as the leader, giving them discretionary effort, cult-like loyalty, and a record of success. Divisions and companies run by tribal leaders set the standard of performance, from productivity and profitability to retention. They are talent magnets, with people so eager to work with them that they will take a pay cut.

Now you can better own your role as a tribal leader, and develop other leaders.

Five Stages of Tribal Culture

Tribes come in five flavors, marked by differences in talk and behavior. Tribal leadership starts with recognizing which stage you have, and doesn't stop until you reach Stage 5.

Stage 1 runs the show in criminal clusters, like gangs and prisons, where the theme is "life stinks," and people act out in despairingly hostile ways. This stage shows up in 2 percent of corporate tribes. Leaders need to be on guard, as this is the zone of criminal behavior and workplace violence. The best way to intervene is to get members out of the group and into another.

Stage 2, the dominant culture in 25 percent of workplace tribes, says, "my life stinks," and the mood is a cluster of apathetic victims. People in this

cumstances. Reactive learning is governed by downloading habitual ways of thinking, seeing the world within familiar and comfortable categories. We discount interpretations and options for action that are different from those we know and trust. We act to defend our interests. In reactive learning, our actions are reenacted habits, and we reinforce pre-set mental models and seek to be "right," regardless of outcomes. At best, we get better at what we've always done, secure in the cocoon of our isolated worldview.

Different types of learning are possible. When we interview scientists and entrepreneurs, we ask them, "What question lies at the heart of your work?" These two groups illuminate a type of learning that could lead to a world not governed primarily by habit.

If we see the larger wholes that generate "what is" and our connection to this wholeness, the effectiveness of our actions can change dramatically.

In talking with scientists, we gain insights into our capacity for deeper seeing and the effects such awareness have on our understanding and sense of self. In talking with entrepreneurs, we see what it means to act in the service of what is emerging so that new insights create new realities. Both groups are talking about the process whereby we learn to "presence" an emerging whole, to become "a force of nature."



The Field of the Future

When we become aware of the dynamic whole, we also become aware of what is emerging and our part in it.

Many entrepreneurs have created multiple businesses and organizations. Consistently, they feel that the entrepreneurial ability is an expression of the capacity to sense an emerging reality and to act in harmony with it. Many scientists, inventors, artists and entrepreneurs live in a paradoxical state of great confidence and profound humility—knowing that their choices and actions really matter and feeling guided by forces beyond their making.

Can living institutions learn to tap into a larger field to guide them toward what is healthy for the whole? What capacities will this require of us?

The core capacity needed to access the field of the future is *presence*—being conscious and aware in the present moment, listening deeply, being open beyond your preconceptions and

historical ways of making sense, letting go of old identities and the need to control, and choosing to serve the evolution of life. These aspects of presence lead to a state of "letting come," of participating in a larger field for change. Then, the field shifts, and the forces shaping a situation can shift from re-creating the past to manifesting or realizing an emerging future.

Understanding presence and the possibilities for change can come only from many perspectives—from the science of living systems, creative arts, profound change experiences—and from direct contact with the generative capacities of nature.

We've learned that imagining alternative futures, even negative futures, can actually open people up. Used artfully, scenarios can alter people's awareness of their present reality and catalyze profound change. The key to making potentially fearful futures generative is to see that we have choices, and that choices matter.

Predictions of environmental or social collapse usually evoke denial, fear, and paralysis. What if, instead, facing a global requiem scenario led us to "wake up," face our mortality, and realize that our future can't be taken for granted, that there is urgency to our present situation, and that the time to start living together differently is now?

We believe that such an awakening or enlightenment is occurring worldwide, that we each carry within ourselves immense possibilities for connecting to the universe and participating in its generative process. The infinite or absolute and the phenomenal, God and human, are inseparable, and we have the potential to co-create our realities. To do so, we must first transcend the myth of separation—separation from one another, from our highest selves, and from the generative processes of nature. Awakening our faith that the future can be different from the past will mean rediscovering our place, and that of our organizations, in life's continual unfolding. **LE**

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ACTION: Create an alternative future.

stage are passively antagonistic, and quietly sarcastic. Tribal leaders intervene in Stage 2 by finding those individuals who want things to be different, and mentoring them—one at a time. If, over time, some start to talk the Stage 3 language, invite them to mentor another member of the tribe.

In Stage 3, the dominant culture in half of U.S. workplace tribes, the theme is “I’m great” or “I’m great, and you’re not.” In this culture, knowledge is power, and people hoard it, from client contacts to gossip. People at this stage have to win, and winning is personal. They’ll out-work, think, and maneuver their competitors. The mood is a collection of “lone warriors,” wanting help and support and being disappointed that others don’t have their ambition or skill. Tribal leaders intervene here by identifying people’s individual values and then seeing which cut across the tribe. Point out the values that unite people, and then construct initiatives that bring these values to life.

Stage 4 represents 22 percent of tribal cultures, where the theme is “we’re great, and another group isn’t.” Stage 4 is the zone of tribal leadership where the leader upgrades the tribe as the tribe embraces the leader. The leader transforms tribes of individuals into Stage 4 groups, and the tribal leaders in these groups focus people on their aspirations, and define measurable ways to make a worldwide impact. As the tribal attention shifts from “we’re better” to “we can make a global impact,” their culture shifts to Stage 5.

Stage 5 is the culture of 2 percent of the workforce tribes, where the theme is “life is great” and focuses on realizing potential by making history. Teams at Stage 5 produce miraculous innovations. The team that made the first Macintosh was Stage 5, and we’ve seen this mood at Amgen. This stage is pure leadership, vision, and inspiration.

Identify which of these five cultures dominates your tribe, and start elevating your tribe to the next stage. Notice the social groups or tribes that exist. These are your tribes. Listen to the way they talk. Is it “life stinks” (S1), “my life stinks” (S2), “I’m great” (S3), “we’re great” (S4) or “life is great” (S5)? Move your tribes to the next stage, until you reach Stage 5. When you move from *adequate to outstanding*, you’ll produce tribes that change the world. **LE**

Dave Logan, John King and Halee Fischer-Wright are coauthors of Tribal Leadership (HarperCollins) and partners of the consulting firm CultureSync. Visit www.JLSConsult.com.

ACTION: Elevate your tribe to the next level.

Judgment Trumps Experience

Choose your candidates carefully.



by Warren Bennis and Noel Tichy

THE LEADER’S MOST IMPORTANT ROLE IS making good judgment calls in three domains: key people, strategy, and crisis. Great leaders have a high percentage of good judgment calls—and they are good only if the execution succeeds. The leader’s second most important role is to develop other leaders who make good judgment calls.

We have seen good calls and bad ones. We have seen leaders make so-so initial calls and then manage them in mid-air to produce brilliant results. And we have seen leaders make spot-on inspired decisions and then end up in the ditch because they don’t follow through on execution, or they look away and miss a critical context change.

Often judgment is built upon life experience, and yet certain people seem to possess inherent leadership characteristics conducive to good judgment, or they cultivate them by developing broader and deeper relationships, empathizing with others, being future oriented, or courageously acting in the absence of full knowledge. Judgment can be developed when it is a conscious process.

Our Study of Leadership

Our study of leadership leads us to conclude that judgment regularly trumps experience. Judgment is the core of exemplary leadership. With good judgment, little else matters. Without it, nothing else matters.

We remember leaders—presidents, CEOs, coaches, generals—for their best and worst calls. Leadership is, at its marrow, the chronicle of judgment calls. These write the leader’s legacy. We are not discounting experience. Leaders must draw on their seminal experiences to inform their judgments.

But experience is no guarantee of good judgment. There is a huge difference between 20 years of experience that advances your learning and one year of experience repeated 20 times.

In fact, past experiences may even prevent wise judgments. Generals tend to fight the last war, refusing to face new realities, almost always with disastrous consequences. In today’s dizzying world, we need to understand the “beginner’s mind” that recognizes the value of fresh insight unfettered by experience. In this view, the compelling idea is the novel one. Judgment isn’t quite an unnatural act, but it also doesn’t come naturally. We are not sure how to teach it, yet we know it can be learned. Wisely processed experience, reflection, valid sources of timely information, an openness to the unbidden and character are critical components of judgment as well.

Where to Cast Our Vote?

The rhetoric of the two leading Democratic candidates is becoming more shrill, also more clarifying. Hillary Clinton and Barack Obama have taken off their gloves. In one corner stands the champion of *experience*, with the best executive coach at her side and a dog-eared playbook of strategies that have won in the past.



Standing in the opposite corner is a young contender, fairly new at the game, underweight and probably over-matched, but a natural. Mr. Obama and his handlers are putting their money on his *judgment*, disdaining the experience card as a stale rerun of earlier campaigns, skewering Mrs. Clinton’s twisty judgments about Iraq, and subtly pushing the present over the legacy of the ‘60s, destiny over dynasty.

One of Mrs. Clinton’s TV ads mentions her *experience* five times. Bloggers also highlight the themes of experience and judgment whenever they describe the fight between the Democratic front runners. Where do we put our money?

Yes, experience has value. But judgment, fed by solid character, should determine the choice of our next president. As David McCullough reminds us, “Character counts in the presidency more than any other single quality.” **LE**

Warren Bennis is distinguished professor of business at the Univ. of Southern California, and Noel Tichy is professor of business at the Univ. of Michigan. They are co-authors of Judgment: How Winning Leaders Make Great Calls (Penguin).

ACTION: Cultivate character-based judgment.

What Your Leader Expects of You

And what you should expect.



by Larry Bossidy

THE RELATIONSHIPS between bosses and direct reports are important ones and figure strongly in the success of a team. While much is written about character traits and issues of leaders, we rarely talk about what leaders should expect from their people. Over the years, I've observed that certain behaviors, on the part of both subordinates and bosses, are conducive to productive and rewarding relationships. Indeed, I'll favor someone who exhibits the behaviors I expect over someone who doesn't, because I know the former has the potential to contribute more to the organization over time.

In sharing what I think of as the *CEO compact*, a set of expectations both from and for a leader—I hope to help other leaders and teams improve their relationships and performance.

Things to Expect from Direct Reports

These seven behaviors are powerful individually, but taken together they drive performance and growth in ways that drive long-term results.

1. Get involved. Good executives delegate. They know when a situation calls for their immediate involvement, whether it's in redirecting resources to a product that's suddenly taking off in the market, helping to resolve a breakdown in quality, or visiting a plant to discover why its productivity has faltered. There's no excuse for not taking responsibility when you see a problem growing. I count on my reports to take the blame for things that go wrong and give credit for positive developments to their employees. And I expect them to have the courage to deliver bad news. If you've got to close a plant, go to the plant and tell those employees yourself. While there are no hard-and-fast rules about when your involvement will have the most impact (that's a judgment call), I find that good managers generally step in under three types of circumstances:

when somebody is falling behind in her commitments; when important personnel matters arise, particularly if there is conflict; and in a crisis.

2. Generate ideas. A common frustration of leaders is a lack of idea people. A person who is innovative and creative is a pearl to be treasured. Unfortunately, idea people are rarely applauded in organizations. They're often at the periphery, because people think they're off the wall. But I want to hear what they have to say; it's my job to sift through ideas and decide which ones have merit. Often the best ideas sound crazy at first, but they work.

Executives, too, can come up with good ideas, but often they are reluc-



tant to speak out. If I'm in a meeting and people aren't volunteering ideas on a controversial subject, I tell them we're going to be there for a while. The silence gets so uncomfortable that eventually people start to talk.

3. Collaborate. It's surprising how many people still resist collaboration or sharing credit, even though we know how much more we can achieve when we bring everyone to the table at once. There can be practical reasons for this—for example, it may not be in someone's financial interest to cooperate. But I expect people to trust that I will notice when they take an action that, say, costs their unit \$2 million in the short run but will benefit the company overall in the long run.

4. Confront reality. People need to face up to the realities of their organizations and decide what adjustments are needed. Of course, if the leader is not disposed to confronting reality, it

makes it difficult for other people. We need leaders who have a thirst for information, who solicit and listen to other people's views, and put clarity and simplicity on complexity. We need people who are willing to change when business realities dictate change. They are not insulated, pompous, or egotistical—in fact, they don't mind climbing down from their position. There is a lot of strength in having the same ethics and values, over time, but you should be willing to change your position in the face of new facts.

5. Have the courage to risk failure. We need people who are prepared to look at problem-solving in fresh ways. Some people only make decisions based on their experience. Other people take a clean piece of paper and find out if there may be a different solution than the traditional one. Those people are now in greater demand. Yes, people who go against the convention often get knocked down, but some of that is their own fault because they don't present their ideas well. Some of it is because they are in cultures where their viewpoint isn't tolerated. Those cultures will be under siege during the next decade. You have to be in a place where your view is at least listened to.

6. Develop your leadership capability. Where will the leaders for tomorrow come from? You've got to develop them. They won't just rise through the organization if you don't provide the right education, training, and incentives—if you don't pay for the right things. In business you are always trying to judge who has growth potential and then put more of a premium on people who have the desired characteristics and bring those people through the organization. You reward these people by promoting and compensating them in a positive way that suggests you want them to stay.

7. Show some initiative. You need to know the problems and alternatives before you decide to change. You have to have the intellect, savvy, and sense to know what to leave alone. I talk about "initiatives" as a way to get things done, to get the ball rolling, when confronting change. I'm a proponent of Six Sigma, but it isn't this specific initiative that matters. It is the fact that you work together to achieve objectives. With an attitude of collaboration, you can introduce change measures more easily. **LE**

Larry Bossidy has served on several boards and is the past CEO of AlliedSignal and Honeywell, past COO of GE Capital, and vice chairman of General Electric. He is the coauthor with Ram Charan of Execution and Confronting Reality.

ACTION: Clarify what you expect from people.

Self-Organized Networks

What are the leadership lessons?



by Margaret J. Wheatley

SCIENTISTS HAVE DEVELOPED a rich understanding of how living systems organize and function. They describe life's capacity to self-organize as networks of interdependent relationships, to learn and adapt, and to grow more capable and orderly over time. These dynamics stand in stark contrast to how we organize as hierarchies and chains of commands.

Although many reject living systems theory as inapplicable to the "real world" of organizations, the real world that appears in the daily news reveals the dynamics of living systems in human affairs quite clearly.

People often comment that the new leadership models derived from living systems and complexity science couldn't possibly work in "the real world." I assume they are referring to their organization, which they experience as a pre-designed bureaucracy, governed by policies and laws, where people are expected to do what they're told and wait for instructions. This "real world" of mechanistic organizations craves efficiency and obedience. It relies on standard operating procedures for every situation, even when chaos erupts and things are out of control. This is *not* the real world.

This world is a man-made, dangerous fiction that destroys our capacity to deal well with what's really going on. The *real* real world demands that we learn to cope with chaos, to evoke ingenuity and skills, to adopt strategies and behaviors that lead to order.

In this historic moment, we live caught between a worldview that no longer works and a new one that seems too bizarre to contemplate.

The Real World

The real world as described in the new sciences of living systems is a world of interconnected networks, where slight disturbances in one part of the system create major impacts far

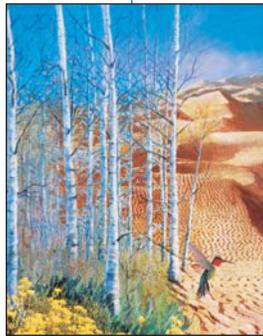
from where they originate. In this sensitive system, the most minute actions can blow up into massive disruptions and chaos. But it is also a world that seeks order. When chaos erupts, it not only disintegrates the current structure, it also creates conditions for new order to emerge. Change involves a dark descent into meaninglessness where everything falls apart. Yet if this period of dissolution is used to create new meaning, then chaos gives way to the emergence of new order.

This world knows how to organize itself without command, control, or charisma. Everywhere, life self-organizes as networks of interdependent relationships. When individuals discover a common interest or passion, they organize themselves and figure out how to make things happen. Self-organizing evokes creativity and results, creating strong, adaptive systems. New strengths and capacities emerge from new relationships.

In this world, the basic building blocks are relationships, not individuals. Nothing exists on its own or has a final, fixed identity. We're all "bundles of potentiality." Relationships evoke these potentials. We change as we meet different people or are in different circumstances.

We create reality through acts of observation. What we perceive becomes true for us, and it is our own version of reality that becomes the lens through which we interpret events. This is why two people can experience the same event or look at the same information and have very different descriptions of it.

This real world stands in stark contrast to the world invented by Western thought during the past 400 years. We believe that people, organizations, and the world are machines, and we organize massive systems to run like clockwork in a steady-state world. The leader's job is to create stability and control because, without human intervention, there is no hope for order. Without strong leadership, everything falls apart. It is assumed that most people are dull, not creative, that peo-



ple need to be bossed around, that new skills only develop through training. People are motivated using fear and rewards; intrinsic motivators such as learning, contributing and compassion are trivialized. These beliefs have created a world filled with disengaged workers who behave like robots, struggling in organizations that become more chaotic and ungovernable over time. And most importantly, as we cling ever more desperately to these false beliefs, we destroy our ability to respond to the challenges of these times.

Example: Terrorists

How is it possible that a few thousand enraged people can threaten world stability? How is it possible that the most powerful governments on earth find themselves locked in a costly and fearsome struggle, increasingly powerless to suppress the actions of a small group of fanatics? Global terror networks are among the most effective and powerful organizations in the world today, changing the course of history. And they do this without formal power, advanced technology, huge budgets, or millions of followers.

Terrorist networks do meet the criteria generally used to judge effective leadership. These criteria include the abilities to communicate a powerful vision, to motivate people to work hard, achieve results, innovate, and implement change. We ask leaders to create resilient organizations able to survive disruptions, that grow in capacity, that don't lose their way, that continue to progress through a succession of leaders. If we apply these criteria to the leaders of terrorist networks, they receive high marks. In fact, we have much to learn from them about innovation, motivation, resiliency, and the effective leadership of networks.

The lens of living systems allows us to peer into these terrorist networks, explore the causes of their success, and see how to respond in ways that don't contribute to their proliferation.

We fight blind in the war on terror because we use factors that apply to our world, not to their networks.

Although these groups appear leaderless, they are well-led by their passion, rage and conviction. They share an ideal or purpose that gives them a group identity and which compels them to act. They are geographically separate, but "all of one mind." They act free of constraints, encouraged to do "what they think is best" to further the cause. This combination of shared meaning with freedom to determine

one's actions is how systems grow to be more effective and well-ordered. The science thus predicts why terrorist networks become more effective over time. *If individuals are free to invent their own ways to demonstrate support of their cause, they will invent ever more destructive actions, competing with one another for the most spectacular attack.*

People who are deeply connected to a cause don't need directives, rewards, or leaders to tell them what to do. An insurgency is not a coherent organization whose members dutifully carry out orders from above, but a far-flung collection of smaller groups that often act on their own. Movements that begin as reasonable often migrate to more extremist measures, propelled there by their members' zealotry.

We can never adequately measure our success in disrupting a network by only measuring how well we disrupt their communications. The structure of any network is horizontal, not hierarchical, and ad hoc, not unified. This dispersal makes it difficult to suppress any rebel group. Attack any single part of it, and the rest carries on untouched.

Self-organized networks are amazingly resilient. They're filled with redundant nodes, so one picks up if another goes down. Networks organize around shared meaning. Individuals respond to the same issue or cause and join together to advance that cause.

If networks grow from passion, then the best strategy for immobilizing terrorist networks is not to kill their leaders, but to *defuse the sources of their anger, eliminating the causes of rage and stop inciting them further.* As long as our actions provoke their anger, we can expect more terrorists, more extreme attacks, and more destabilization. If we do not eliminate their rage, people will continue to form deadly networks. If we continue to seek to control it by exerting more pressure on those who hate us, who feel disconnected and impoverished, we create a future of increasing disorder and terror. To see a new way out of this terrifying future, we must understand the behavior of networks in this interconnected world and our astonishing capacity to self-organize when we care about something.

Let's open our eyes, change our lens, and step forward into actions that will restore sanity to the real world. **LE**

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ACTION: *Strive to be in harmony with nature.*

Winning Culture

Build one in five simple steps.



by Gary Bradt

IF I ASKED YOUR PEOPLE, "What's it like to work at your company?" their answers would describe your culture. How would they respond? Would you like what you hear? If not, change it.

Some leaders try to create culture by carefully crafting vision, mission, and values statements. Culture is not created by words plastered on walls or cards, but rather by actions on the ground. It's what leaders do: what they inspect, what they reject, and what they reward that shapes culture. A winning culture is defined by words so simple that everyone grasps them easily.

In winning cultures, leaders' words and actions are aligned. In losing cultures, "happy talk" masks dysfunctional behavior. A winning culture emphasizes three areas: serving the customer, growing the business, and developing employees. A losing culture is confusing and complex, places customer needs behind those of the company, and emphasizes personal gain over team achievement.

To create or redefine the culture, take five steps:

1. Define three or four guiding principles that define who you are as an organization. Define in simple terms what your organization is about. One client company's culture was marked by mistrust and destructive internal competition. New leadership came in and defined the new culture: *We are one national practice; we consider our customers in everything we do; we grow our people; and we are committed to each other's success.* The leadership then set about making these words a reality.

2. Use the principles to guide every discussion. Words are meaningless unless they spur new behavior. Once you define your guiding principles and decisions. I constantly heard my client refer to their guiding principles in all gatherings, saying: "Since we are one national practice, it makes sense to do this." Or, "Will this course of action serve our customer, or only serve us?"

They used their words and good intentions to drive positive behavior shifts, which drove a positive culture shift and led to better business results.

3. Build the principles into all your people performance and management systems. People tend to do what is inspected, not what's expected. Ensure that your people and performance management systems measure and reward behaviors consistent with your guiding principles, and discourage or punish the opposite. If employees see leaders act in accordance with the principles and yet go unrewarded, or see leaders defying the principles and still getting perks and promotions, you're done. There has to be consistency between what you say and do, and alignment between your words and actions. Also, screen for and hire people who share your values and naturally adhere to the principles. And, indoctrinate and immerse existing employees in the new ways of thinking and behaving. Constantly repeat the simple change message via all available means and venues.

4. Create a leadership development experience that reinforces the behaviors and values consistent with the principles, and insist all senior leaders attend.

Words alone won't drive lasting behavior change. You have to reinforce your words with action. One way to do this is to create an experience-based leadership development program that reinforces the values and behaviors consistent with the guiding principles. Don't try to get everyone through at once. Spread attendance and participation over time. Each new class then becomes a renewable source of energy around the guiding principles.

5. Expect resistance, but stay the course with passion and patience. Changing culture means changing people, and that takes time. Expect cynicism, skepticism, and resistance at first. But as more people come through, including senior leaders who come back to facilitate sessions, more people buy in—especially when they see the leadership principles discussed in the classroom being lived in the field. The culture changes, and with it, the business.

Creating a winning culture is simple when you follow these five steps. **LE**

Gary Bradt is a popular speaker and author of *The Ring In the Rubble*. Visit www.GaryBradt.com or www.bigspeak.com.

ACTION: *Create a winning culture.*



X-Engineering

It's not re-engineering.



by Jim Champy

THE MESSAGE OF *Re-engineering the Corporation* was that work needed to be redesigned or reengineered in terms of processes rather than tasks or departments. The impact of reengineering was internal—the reforms ended at the company gate.

The technology revolution and global economic realignment demand that leaders prepare for the next stage of transformation. Reengineering must now be extended to include all stakeholders, not just shareholders.

I wrote *X-Engineering the Corporation* to help managers confront challenges of connectedness and dependency. Where reengineering shows managers how to organize work around internal processes, X-engineering argues that they must now integrate processes with other companies. The “X” stands for crossing boundaries and also marks the spot where intuition joins technique and solutions emerge. X-engineering is the art and science of using technology-enabled processes to connect businesses with each other, as well as their customers, to achieve dramatic improvements in efficiency.

X-engineering requires managers to ask who should participate in creating and delivering a business proposition—customers, suppliers, partners and competitors—and how they should integrate their processes.

The Internet is the central nervous system of X-engineering. The Internet allows organizations to become creators of change, not tools of change. Because we can now gather, analyze, and share information with speed and sophistication, intelligence is raised dramatically. Every day, process-savvy companies use the Internet to exceed performance levels unimagined 10 years ago.

The nature of competition today leads companies to cooperate. Billions of dollars could be saved if companies shared processes—with customers and suppliers—that are now redundant.

Connectivity is the hallmark of X-engineering. The future belongs to companies that recognize the primacy of relationships in the networked mar-

ketplace. X-engineering is about harmonizing relationships to tap the full intelligence and experience of all the people in your network.

When you look for opportunities to X-engineer, keep in mind six principles: 1) Follow the money—not just internal costs, but those of customers and suppliers. 2) Look for opportunities to reduce capital expenditures for all participants. 3) Go broad—excess costs are rarely attributed to a single activity or process, so look across processes to those of customers and suppliers. 4) Know what customers go through—ask about their realities and challenges rather than their immediate needs. 5) Chart breakdowns—talk to customers directly and openly about problems as they occur, which will provide insight to expectations. 6) Fish



upstream—the cost of a product, service, or process is largely determined in its design phase. Participate with customers and suppliers in this phase.

Four Ps of X-Engineering

Attend to four Ps of X-engineering:

1. Process. Your *processes*—all the things you do to create and sell goods or services—includes all the methods involved in dealings with external players such as customers, suppliers, distributors, partners, and shareholders. X-engineering is not about automating old processes but creating new ones that leverage IT. For example, most companies think of e-commerce as a technical addition to their business. With X-engineering, technology is the backbone of their business.

2. Proposition. The *proposition* is your best effort to meet a customer's need through products and services. Whatever the proposition, it will stand

or fall on its ability to create new value for customers. The X-engineered organization leverages its processes for maximum push and allows its customer maximum pull. The proposition sits at the intersection of those forces. X-engineering improves price, speed, quality, and variety—components of a valuable proposition.

3. Participation. What is the extent of *participation* with others in creating shared processes? Creating compelling and distinctive propositions means involving customers in the process.

4. Place. X-engineering is a *place* where innovation is nurtured by a constant flow of information and supported by an invisible technology infrastructure. It's a place where IT improves the human potential and where work has been redesigned to make it less of a burden, more of a joy.

We have at least 25 years of major process change to go because the path to profits is paved with process.

Seven Steps to Success

To achieve X-engineering success, take these seven steps:

1. Gather and digest essential information about your customers. Develop the disciplines and processes needed to understand customer pull. Get to know customers' realities, situations, behaviors, expectations and values.

2. Segment customers, but not too quickly. Segmentation is not an exact science. While companies are building authentic, unique knowledge about individual customers, they should expect to provide all customers with an equal level of service. Later, customers can be segmented by their expectations and values—not by size, buying power, or profitability. The goal is to market to a single customer segment.

3. Determine the compelling proposition for each customer or customer set. Distinctiveness could come from a compelling proposition: best price, fastest delivery or development time, best quality, greatest choice, most innovative, or best integration of products and services. When you know your customers' needs, expectations and values, you can find compelling propositions.

4. Walk before you run. Some companies try too hard to develop finished or sophisticated product offerings, which can lead to problems. The company may not be able to execute the offering or the customer may not understand the complex proposition. Start with a simple proposition, get market traction, and then build on it.

5. Look for partners who will help.

Consider with whom to work in delivering a proposition. How might the proposition be enhanced by relationships with other companies? What form should these relationships take?

6. Focus on process redesign. Design processes with partners to deliver the most compelling customer proposition.

7. Measure performance through the eyes of the customer. Ask customers whether a process push is meeting their pull. If you can't differentiate what you sell or how you sell it, you'll be forced to sell at commodity prices.

Seven New Tenets

You need to adopt seven new tenets:

Old: See the world as you want it to be. New: See the world as it truly is.

Today, you must be brutally honest when you measure performance. X-engineering begins with a fair assessment of where a company stands.

Old: Leave IT to the technologists.

New: IT is everyone's job. Without understanding technology, you must depend on others for advice to enhance well-being. Managers must ensure all their partners, too, are proficient with technology and can support X-engineering.

Old: Information is power; keep good ideas inside the company. New: Share good ideas with customers and partners as you search for better ideas. X-engineering challenges you to contribute to the collective intellect of customers, suppliers and partners.

Old: Exercise authority to gain control. New: Gain control by relinquishing it. You may be daunted by managing in a network where you have no direct authority over many of the people delivering your goods and services. Authority comes from giving it up.

Old: Manage change as an event and appeal to intellect. New: Manage change as a campaign and appeal to feelings. Seek to understand the concerns and prejudices of the people who will do the real work involved in the change. Be public about what you are doing and sensitive to broadly held beliefs.

Old: Your beliefs and values are your business. New: Your beliefs and values are everyone's business. You must be sure your company's beliefs and values work well with those of partners.

Old: If it ain't broke, don't fix it. New: Relish change. Make a strong case for change and provide inspiration. When change is well-executed, an appetite for it eventually develops. LE

Jim Champy is chairman of Perot Systems and author of X-Engineering the Corporation. Visit www.jimchampy.com.

ACTION: X-engineer your organization.

Let the Middle Lead

Put the ball in their court.



by Ira Chaleff

IT SEEMS NATURAL THAT leadership should come from the top. Is it?

In a broad sense, yes. Changes to mission, policy and grand strategy require approval from the Board and CEO level. But notice I said "approval." Often the impetus and ideas for these percolate upwards to CEO and Board level.

Why? Most board members are not immersed enough in day-to-day operations to understand the changing landscape until the need for change becomes urgent. Schedules of CEOs are often absorbed in high-level interactions of a political or financial nature that remove them from the operational realities and evolving customer behaviors that drive change. Executives closest to the CEO hitch themselves to the CEO's train and are often caught in supporting the CEO's agenda.

So who does this leave to lead the action on the ground? Often bright, committed managers and professionals who are close to operations and to the customer. They are brimming with energy to improve the former for the benefit of the latter and, ultimately, for the health of the organization.

And, being smart folks, they are sensitive to not encroaching on senior management's prerogatives, so they hold back on acting on their ideas.

This pool of talent, typically younger and not cynical, is often supercharged to improve the way things get done. Given a platform and the blessing of top management, they can lift a unit from any doldrums. If not allowed expression, these prime resources will either leave, or stay on with diminished enthusiasm.

So what's to be done? If you are one of those in the middle chomping at the bit for change, I'm putting the ball in your court. Don't sit around waiting for the results of the latest morale survey to shock senior management into action. Instead, organize yourself to support senior management without waiting for an invitation. Tell your immediate boss that a group of people at your level are getting together to

brainstorm ideas on how the organization can better achieve its mission and that the group will keep its direct supervisors informed. Get your brain trust together and hammer out ground rules along these lines:

- Don't slack off on the current agenda set by senior management
- Hold meetings over lunch
- Don't become gripe sessions
- Initially focus on issues related to operations and customer satisfaction
- Don't leak parts of your discussion that could create confusion or concern
- Pick an initiative that gives the group early achievement and credibility
- Implement it, if within your authority to do so, and make it successful
- If outside your authority, communicate your proposal in an acceptable manner, asking for few resources

When you have a success, present your next best idea, requesting what support is needed. At the same time, ask to be given formal working group status so your group has some standing. And be sensitive that there are people around you who would like to have input and make sure that they do.

If you are a leader, your role is simpler but harder. Even if you feel threatened, don't act on that feeling but reframe the upward initiative as a terrific opportunity to unleash the talent below you. With your support and guidance, this new generation of leaders can give you tremendous competitive advantage and make you look very good.

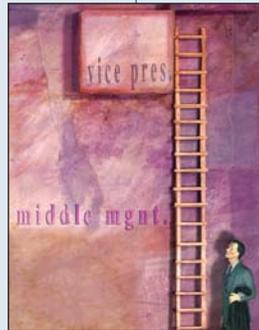
Your role becomes the following:

- Become a political counselor
- Help frame the change management strategy to minimize roadblocks
- Ask how you can help them
- Ask whether anything you are doing is hindering them
- Do more helping, less hindering
- Give them credit for their successes, knowing these will also reflect on you
- Share responsibility for the failures or setbacks to earn respect and loyalty
- Courageously run interference where you can and lend your stature where it will make a difference.

Mature leadership revels in terrific subordinate leadership. Encouraging this partnership can mark your tenure with extraordinary accomplishment. LE

Ira Chaleff is President of Executive Coaching & Consulting Associates and author of The Courageous Follower. Visit www.exe-coach.com.

ACTION: Facilitate subordinate leadership.



Emergency Leadership

Five leadership secrets of an aviator.



by Mike Friesen

IN MILITARY FLYING, training on emergency procedures (EPs) is constant. Quick thinking and disciplined responses are expected.

EPs raise emotion. EPs tax the most skilled pilot, in spite of any outward bravado. The idea behind repetition and difficulty in training is to make the real thing seem relatively easy and to increase the chances of a successful conclusion. Although I despised EP simulator flights, they are invaluable preparation for real emergencies.

Here are five lessons from flying that relate to leadership.

1. Keep flying. When pilots encounter an emergency, they tend to focus on the emergency, often becoming too distracted with a problem to fly safely. As a new Air Force pilot in a simulation ride, I once became so distracted from flying that I ran into a mountain. The instructor's admonition, "You would be dead right now if you had been in an airplane" was sobering.

In business, we can't shut down the company to redesign and rebuild it to meet the latest marketplace needs. The company must continue operating. A practical leader will continue directing what should be achieved today while honoring timeless principles and continuous improvement, constantly evaluating if the current movement aligns with mission objectives. This is about achieving results, meeting competitive demands, exercising courage and skill, and doing the right things.

2. Think long-term. If an airplane is in trouble, it is intuitive for pilots to land as soon as practical. Despite the urgency, they must consider that can make or break the outcome. What is my fuel state? What is the nearest field that can handle the emergency? How far to the ideal airport? What is the weather at the intended landing airport? It is easy to be too caught up with the urgent priorities of the present while forgetting the long-term. Executing a flawed business plan perfectly may still assure the demise of the enterprise. Leaders must consider: Where will current behavior lead? What

changes are needed to arrive at the preferred destination? What business are we in long-term? How should the firm change to meet fickle consumer demands? How should we shape internal succession plans? How are we developing up-and-coming leaders to meet future challenges? The long-term may seem far away, but it is as important as the present for the leader. Your employees do their best work in the present. As a leader you need to devote sufficient time to future work.

3. Be decisive. Prescribing a remedy for an aircraft emergency requires making consistent and timely decisions. Pilots can only make decisions based on what is seen, heard and felt (airframe vibrations, extra weight on the flight controls). In many cases, a wingman can take a look at crippled



airplane to give any additional data. Otherwise, it is time to analyze the problem and move toward a solution. Several years ago, when an engine fire indicator came on in the F-4 I was flying, I turned directly toward the home airport. Many student pilots waste precious minutes by working through the checklist before turning the airplane toward a suitable landing patch.

Decision-making is a skill that any successful business person will possess. A wise leadership instructor once said, "Intent counts for more than technique." His point was to make timely decisions for the good of the organization. You'll never have 100 percent of the data for a decision. Do not overly labor over a decision: Make it, and you will learn something from it if you are open, especially if the choice turns out to be a blunder. If you are making few decisions, you are likely not learning much. Stay aligned

with mission, vision, and values but, by all means, make a decision.

4. Be flexible. Things can change without warning. What if my plan does not work? One rainy day, I landed a F-4 with the hook down because of a hydraulic failure. The firm touchdown went as planned, but the hook bounced over the cable. Fortunately, my Weapons System Officer and I had discussed this possibility and stayed on the runway to catch the opposite end cable. Had we missed again, we would have ejected from the aircraft. One tongue-in-cheek saying in the Air Force is "flexibility is the key to airpower." Regardless of how pretty the strategic plan looks, you will have to improvise. This is where knowing and living principled values will pay big dividends. Stick to decisions as much as practical but do not run your company over a cliff for sake of your ego. If the market needs change, adapt. Make another decision. Be flexible.

5. Have an out. One staple of formation flying of two or more aircraft is the rejoin where one airplane overtakes another aircraft with speed, geometry, or both. Every good formation flier always has an out in case the unexpected happens. In the military, there is a designated formation leader, but all pilots in formation have basic responsibilities to keep everything safe. A savvy aviator will constantly assess and adjust the rejoin maneuver and the Plan B should something go wrong.

Once as a new F-4 pilot in a practice fight, two of us converged on the same target, belly to belly. Thankfully I had an experienced backseater who yelled, "Belly check!" Upon rolling inverted and seeing the imminent mid-air, I wracked the airplane in an opposite direction, and we all lived to fight another day.

As the leader, you may not want to admit your Plan B publicly. You may not have a good alternative. Always be thinking. If all your grand schemes fall apart, what will you do? How will you recover and keep the enterprise viable? How will you rally the troops to pick up the pieces? Always be a few steps ahead of those you lead. Be smart and ready to improve a good plan with great execution.

Keep flying, think long-term, be decisive, be flexible, and have an out. Simple yet helpful steps to making your leadership skills shine. LE

Mike Friesen is a leadership coach of Leading Strategies (www.leadingstrategies.net). He retired from the U.S. military as a Lt. Col. and was a pilot in the F-4 Phantom and F-15 Eagle. Email mike@leadingstrategies.net.

ACTION: Apply what you know about leadership.

Thought Leadership

It comes from outside and inside.



by Marshall Goldsmith and Marilyn McLeod

IF YOU ARE CHARGED WITH LEADERSHIP development, you should be identifying both external and internal thought leaders and their area of expertise, especially as it relates to the big problems and opportunities in your organization this year. Think of ways to tap their expertise for presentations, coaching, training, and mentoring. Just remember: most thought leaders (whether internal or external) are specialists. You can't expect them to add great value outside of their fairly narrow area of expertise.

Start by drawing up a list of potential thought leaders—including their area of expertise, current position, achievements, publications, media coverage to date, and availability. Now, list opportunities for improvement and paint a picture of the value that thought leaders could add by applying their expertise in these areas.

Companies known for thought leadership in certain areas, such as Disney, have identified what they want to be known for (i.e., service excellence) and formed the Disney Institute to outsource their internal expertise, adding a new source of profit and building their brand equity. They now offer courses on the Disney approach to organizational creativity, people management, leadership, quality service, and loyalty. They teach their success formulas so participants can learn and adapt Disney's principles and practices back in their organizations.

Disney has even taken this idea beyond the classroom by opening their parks for real-time object lessons, providing participants with a personal experience of their culture and expertise within the Walt Disney World Resort. They find that the learning is even more powerful when they "let people observe how we do it."

Public recognition of your thought leadership will not happen overnight, nor is it guaranteed. Communicate

those brilliant ideas that you apply to your clients' businesses in a dynamic, continuing dialogue with your market. This will help you evolve your ideas as the world changes around you, and will help you establish yourself as a leader in your field.

What Constitutes a Thought Leader?

Over the past several years I've been listed as a thought leader several times. This was the culmination of many years of work, and some good fortune. Many wonderful teachers, including Frances Hesselbein and Paul Hersey, helped me along the way.

To date I've written 22 books and one best-seller, *What Got You Here Won't Get You There*. I've published articles and columns in business publications. I speak a lot—about 100 days a year. I work with people inside corporations, for example the top 2,000 leaders at Kaiser Permanente, Johnson & Johnson, and BellSouth. I've been teaching the UBS High Potential Program for at least eight years. I have also taught at Wharton School, University of Michigan, Oxford, Cambridge, London Business School, and many of the top business schools. I give keynote speeches for different associations and organizations—addressing audiences from six to 6,000 people.

Editors of many business magazines have interviewed me, including *Forbes*, *Harvard Business Review*, and *The New Yorker* (listen to the audio version on www.MarshallGoldsmithLibrary.com). In addition, there have been many press mentions, from as far away as Saudi Arabia. I have over nine million frequent flyer miles because I find that in order to have a global presence, I have to be present globally. A typical itinerary might be from San Diego to Hong Kong, to Singapore, to Saudi Arabia, to London, to Houston, and back in two weeks.

The November issue of *Leadership Excellence*, included a list of top 100 thought leaders in the leadership field, and ranked them using a list of eight criteria: *preparation* (academic and professional), *character* (including values,

ethics, beliefs, purpose, mission, integrity, and walking the talk), *principles* (your message, point of view, tenets, main points), *personality* (charisma, style, originality, authenticity, one of a kind), *performance* (inspiring action, real-world performance, work ethic), *experience* (national and international reach), *expression* (substance and style in writing, speaking, coaching, consulting, mentoring, training, or teaching), and *influence* (making a difference, results, change, transformation).

Many of these qualities could apply to internal thought leaders as well.

Develop a Thought Leader Initiative

I invite you to think what the organization wants and needs from its internal thought leaders. What would be the benefit to your organization if you were to develop internal thought leaders? What are the core competencies of your organization's success? What types of expertise do your potential thought leaders possess? Is your organization ready for a thought leader initiative?

It's important to recognize that not everyone will have the same ambitions. Some of your internal experts are happy just making their living practicing their profession. You can look for ways they can add value to areas of your organization beyond their own division, even if they don't want to make the effort to attain thought leadership in the larger external market.

Think about your own role and what resources you can commit to championing this new initiative. It can mean a change in culture and role expectations within your organization. What can you do to increase buy-in and value to those participating?

Be very clear about your own goals for the project. How much time, realistically, can you devote to developing this project? Who in your organization supports this initiative? Who is not as enthusiastic and how important is their support to the success of your venture?

How will your goals shift as you place a priority on thought leadership? What needs to change? Who will be involved? How can you integrate thought leadership goals into goals already set for your company? It will take a team of people to make this work. Do you have the right people on your team, and do they have sufficient time to be an effective team member?



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Are they clear on your vision, and are you all on the same page?

What Does it Take to Be a TL?

From the thought leader's point of view, branding comes into play. What do you want to be known for? Your thought leadership is your brand.

One guideline is to do what you love. I love what I do. I'm never going to retire. If you do what you love, it doesn't feel like work. Most real thought leaders in my field never retire. For example Richard Beckhard and Peter Drucker never retired. Many thought leaders retire when they die! So my first suggestion is that thought leaders should love what they do. Internal thought leaders can be chosen by their dedication to the specialty.

Second, pick something unique and learn all you can about that one topic. Thought leaders need to be a world expert at *something*. I have a clearly defined mission. My mission is to help successful leaders to achieve a positive, long-term change in behavior for themselves, their people, and their teams. That's all I do. If you want to be a world's expert, you've got to be the world's expert at *something*. Pick something that you love, become a world expert at that, and develop a brand identity around it. Internal thought leaders can be more specialized than external thought leaders by focusing on the company's unique market and industry.

Third, thought leaders need to pay the price. It's not complicated. The price is speaking, writing, networking, building relationships, making those long-term investments that don't necessarily produce short-term revenue, but make a long-term difference. You probably won't get paid to write articles and do interviews. But it's a positive element for the long term. Internal thought leaders can speak at industry conferences, functional conferences, or market conferences that are important to the company. They can write in industry journals and company publications and work with external thought leaders on shared publications.

By knowing external thought leaders—and developing internal thought leaders—you become better prepared to face future learning challenges. **LE**

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ACTION: Develop internal thought leaders.

Excellence and Ethics

From damage- to mission-control.



by David W. Gill

SUCCESSFUL COACHES AND STEAMS study their upcoming opponents, looking for potential problems and figuring out how to respond effectively, containing or neutralizing threats.

While dealing with potential problems is a part of good coaching, great coaches and winning teams don't just figure out how to respond to threats—they figure out how to use their own strengths to dictate the action. They are proactive, not just reactive.

Likewise, if ethics is only thought of as a response to problems, threats, or scandals, something is missing. If the ethics team is just an emergency crew rushing to help out in times of crisis, the bleeding may be limited, but accidents won't be prevented. Sadly, that's the way ethics is viewed—as reactive, negative, narrow damage-control. Sure, it must be done, but what a waste if that's all we do.

How did we get to this point in our approach to ethics? The 17th and 18th century *Enlightenment* pushed moral philosophy toward a search for scientific, universal, rational, abstract moral laws independent of specific communities with their particular purposes, feelings, traditions, and cultures. As the 20th century unfolded, this experiment came to be viewed as a failure, even an impossibility.

Thus, unable to agree on universal moral laws, and surrounded by a growing cultural and linguistic diversity, the ethical focus moved to particular cases and dilemmas. We don't have the same religious, philosophical, or cultural backgrounds. We are unable to agree on any universal moral laws, but we do share this or that specific problem. Ethics became a defense mechanism, a strategy of "damage control" for those confronting hard cases.

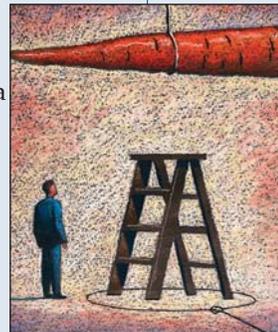
There is a better way. I call it "mission-control" ethics. This means that our *ethical motivation* (the reasons we try to do the right thing) and our *ethical guidelines* (our values and principles, our code) grow out of our shared

mission and purpose (the reason we work together). Our values and principles are guidelines that help us get to where we want to go as a team.

In football, plays are not designed to be universal, rational, and theoretically elegant. The training is not about abstract ideals. No, all of it is linked to the purpose of scoring touchdowns and winning games and championships. That's what motivates players to work out and to run the plays well.

Plato and Aristotle thought about ethics this same way: self-control, courage, wisdom, and justice are four cardinal moral virtues *because* these characteristics enable us to achieve our purpose and be happy. *Sharpness* is the leading virtue of a knife—because the purpose of a knife is to cut things. The *Ten Commandments* also have this structure. The second through tenth commands (honor parents, no murder, theft, false witness) are corollaries of the first commandment about who's going to be god here. Our gods determine our "goods" in this sense.

The vital step toward sound ethics is to get clear about an inspiring and unifying mission. Purpose, mission, and



vision are integral to sustainability, success, and excellence. Ethics—doing the right thing—is as linked to purpose, mission, and vision as business success and excellence. Why should that surprise us? For Plato, Aristotle, and the classical Greeks, *arête* was the term for *both* moral virtue and excellence. Ethics is about excellence—not just jail avoidance.

We can never promise that good ethics will always result in profitable businesses and successful careers. Sometimes, in fact, choosing to do the right thing may *cost* our business or career. Great leaders argue that it is preferable to live a life of integrity and pride, even if it means suffering, rather than living a life as a weak, moral sell-out (even if selling out results in gain).

Sound ethics is an integral component in excellent companies and successful careers. Treating people and nature right pays off in terms of excellence: fulfilling our mission and vision. Great leaders learn how to preach persuasively as well as practice consistently the ethics/excellence message. **LE**

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ACTION: Practice the ethics/excellence message.

Cracking the Code

Successful leadership begins with great followership.



by Thomas Herrington and Patrick Malone

FOR DECADES, EXPERTS HAVE SAID THAT leadership is intangible and unmeasurable. But great leadership is clearly measurable. Leaders are determined by their followers. No followers. No leader.

In business, leadership occurs at all levels—from the executive suite to the shop floor—and at every level in between. Influential leaders, no matter what title they have or role they play, are those with willing followers.

Leadership is getting wholehearted followers for a given course of action. Unfortunately, many potential leaders ignore *followership* and focus instead on being more engaging, convincing, or interesting. Or, sometimes, they rely on their positional power and end up, not with committed followers, but with agreements at best, compliance at worst, and marginal business results.

Whole-hearted implies leaders have engaged their followers emotionally and intellectually—both in the heart and head. *Whole-hearted* also implies that the follower decides whether or not to give his or her commitment.

Most people start their leadership interactions by establishing a common goal. Leaders understand the difference between goals and strategies. Goals are outcome-oriented, starting *with the end in mind*. Strategies are plans for reaching a goal.

Now, how do you gain willing followers and *whole-hearted* commitments?

The first step starts with the conversation you have with a potential follower. Here you express your decision goals, and you include three critical decision goal elements: 1) a confident statement of the goal which has value or benefit to the potential followers; 2) an invitation for followers to look at or listen to the goal and strategy; and 3) an acknowledgement that the potential followers are decision-makers.

Take this conversation opener as an example: “I believe we can reach our

target of expense reduction by making a few changes to our process. Let’s discuss this approach, and you decide if it is something you can support.”

In this statement you see the decision elements at work. By stating your confidence when you put forth an idea for others to decide on and treating followers as decision-makers, you have a greater chance of being heard with an open mind and gaining credibility.

Unfortunately, planning and logic alone can’t guarantee that a plan or strategy will result in commitment.

Commitments are whole-hearted decisions, and that means engaging the heart (emotions) as well as the head (logic.) Not everyone sees the same information the same way. Because emotions shape logic, the way we look at information is different if we are fearful than if we are interested.

Opening conversations with a well-stated decision goal establishes rapport, openness, and trust. Also, this lets your followers know they are the decision-makers so they feel safer talking and revealing their true attitudes toward a plan.

A follower’s potential attitudes are positive, negative, or neutral. However, since attitudes are situational, they can change moment-to-moment. So, when we talk about attitudes, we mean attitudes *in the moment*. Exceptional leaders intuitively recognize momentary changes in attitudes or points of view in a conversation. They focus more on how something is said, and by that, what is said makes more sense.

Recognizing and adapting is what enables leaders to influence others. For example, when you give someone directions to your home or office, you first determine the other person’s starting point. The directions you then give vary based on where the other person is at that moment in time. The same is true for leadership interactions.

If a potential follower considers your goal and strategy difficult to execute, then you must simplify both. If a follower sees a plan as risky, you mitigate or eliminate the risk. If a follower is skeptical, you provide proof. Because followers have different attitudes, you

need a range of responses that make sense to potential followers. The key to finding the right response is to have followers share their points of view and how they see a situation. You then know from your follower’s perceptive what is difficult, risky or unbelievable.

Regardless of a potential follower’s response, you must treat followers seriously so they talk openly or seriously consider your goals and strategies.

Acknowledging their point of view and taking them seriously are easier when you do the following:

- **Give 100 percent attention:** Prove you care by suspending all other activities (no email, phone calls, or television) Also, suspend your own point of view and show interest in what the other person is saying.

- **Respond:** Responses can be both verbal and nonverbal (nods, expressing interest). The key is to show that you received the message, and that the message had an impact. When responding, speak at the same energy level as the other person. Then you know you really got through and don’t have to keep repeating.



- **Prove understanding:** Saying *I understand* is not enough. You need to prove understanding by occasionally restating the gist of an idea or by asking questions which prove you know the main idea. You are proving you understand, not proving you are listening. The difference in these two intentions transmits different messages when people are communicating.

- **Prove respect:** Take others’ views seriously. Telling someone, *I appreciate your position, or I know how you feel*, seldom helps. Such responses are usually followed by the word “but” and your viewpoint. Instead, show respect for the other person’s view by communicating at his or her level of understanding and attitude. An adjustment in tone of voice, rate of speech, and choice of words shows you are imagining being where the other person is at the moment.

Rapport acknowledgements help others sense they are being taken seriously; in turn, they will take you seriously as their leader. Understanding that successful leaders are great followers first will assist you in becoming a better, more effective leader. LE

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ACTION: Seek whole-hearted followership.

Form and Essence

Integrate both in your leadership.



by Michael Leimbach

THE PURPOSE OF A leader is to engage others in committing their full energy to creating value and success. Leaders who fulfill this purpose successfully integrate the essence and form of effective leadership.

What Is Leadership Essence?

Leadership essence is composed of the qualities that give leaders their identity. It is the “being” of leadership. Many ineffective leaders aspire to a leadership position because of what they believe they will be enabled to do; they want the power and authority to do things their own way. But most effective leaders begin their development by asking themselves not what they can do as a leader, but what kind of leader they want to be. They focus on the ‘being’ of leadership, the self-awareness of the values and principles that they bring to their leadership. Whether you call it social intelligence, EQ, or values, leadership essence is as important as the skills that leaders bring to the job, if not more.

There are three components of leadership essence: 1) *personal character*—the inner strength to stay steadfast and decisive in the face of adversity; 2) *social character*—having deep respect for others, showing compassion, and valuing individual differences; and 3) *organizational character*—acting for the good of the community, customers, and company, ahead of personal needs.

Leadership essence is comprised of values, characteristics, and purpose that determines what you want to be as a leader. You likely know a leader who serves as a role model for leadership essence—a leader who demonstrates a true interest in you as a person, who mentors or supports you as you grow, and who always seems to make decisions based on a profound clarity of purpose and intent. People are drawn to and give maximum energy to this kind of leader. You can also probably recall a leader with little essence—a leader who gets efficient behavior, but not impas-

sioned action. These leaders give the impression of expecting a lot from others, but not much from themselves. Since you do not know or trust their intent, you give compliance, but not commitment.

What Is Leadership Form?

While essence is the foundation of effective leadership, it must be supplemented by the skills and knowledge needed to execute on those values and principles; otherwise, the leader fails to produce tangible results. This is what we call *leadership form*.

In the past, leaders were encouraged to play two central roles: managers (do things right) and leaders (do the right things). Today’s multi-generational work force, more knowledgeable and educated employees, greater reliance



on cross-functional collaborations, and global work teams all require leaders to fulfill four core roles: visionary, tactician, contributor, and facilitator.

Each role has a mission to achieve. The *visionary* sets direction; the *tactician* puts plans and processes in place; the *facilitator* ensures that team members and stakeholders are on board; and the *contributor* ensures that the leader’s talents are used. Great leadership means effectively integrating the four roles with leadership essence.

A leader doesn’t choose roles based on his or her personal style; rather, the four are complementary components of every leadership position. While emphasis on each role may change with position and level, all four roles are always required for effective leadership.

Leading with Form and Essence

How can you lead with form and essence? We believe that you *must* develop form and essence to improve

leadership performance—you can’t grow the leader without growing the person. Developing leadership form and essence requires getting leaders to acknowledge their value systems, increase their self-awareness, experience the impact in their lives, and break old patterns of thinking.

To developing the form and essence of leadership, take six core steps:

1. **Define your framework for essence.** What does your company stand for—your values, principles, and beliefs?

2. **Know how others perceive your character (essence) and skills (form).** You can achieve this through informal dialogue or a 360-feedback process. Since most 360-feedback processes focus on form, choose carefully.

3. **Reflect on your decisions and how your values and beliefs are exhibited through your actions.** Bringing beliefs and actions into alignment is central to integrating form and essence.

4. **Create a culture of leadership form and essence.** You can’t just send leaders away for training on form and essence and expect change. Nothing changes until managers’ behavior changes—and their behavior doesn’t change until leadership culture changes.

5. **Supply tools, process, and supports for living form and essence.** Templates for decision-making and leadership dashboards that address the elements of character and the four roles are just two ways you can imbed form and essence into the workplace.

6. **Add stretch experiences to develop leadership form and essence.** Leaders need to make decisions based on a deep exploration of their values. By being presented with too little, inconsistent, or vague information, leaders are required to draw on their values and character to come to conclusions.

Through experiences, coaching and support, you can grow leadership form and essence. Effective leadership is about both—a clarity of purpose for what you want to be as a leader and the ability to execute the roles of visionary, tactician, facilitator and contributor. Only by integrating essence and form can you effectively engage others in committing their energy, creativity, and talents. To leaders who are role models for this integration, leadership is being of service to others; their energy, excitement, and hope about the future inspire all around them. LE

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ACTION: *Integrate your form and essence.*

Fire or Re-Wire?

Dealing with problem people.



by **Adrienne Ahern**

YOU WERE HIRED FOR your management knowledge and skills, right? You're not a psychologist, counselor or social worker—and don't want to be. But if using a little psychology could enhance the performance of marginal employees and make your work more productive and profitable, would you learn a few techniques?

Performance psychology is working with the brain to overcome obstacles in performance. The neuro-pathways of the brain are grooved by consistent thought patterns. Once these grooves are in place, they impact the physical system—breathing, circulation, concentration, fear and stress response—and that impacts functioning.

Many low-performing people have thoughts or negative internal messages hard-wired into their brains that create non-productive habits or behaviors. However, this hard-wiring can be re-wired to create healthier, productive functioning. How can you know whether to fire or rewire? If this person has the requisite aptitude and skill-set, is trying to improve, shows up for work, concentrates on their tasks, and shares the core values, you have an person worth saving.

Four Steps to Re-Wire the Brain

Try the four steps in an area where your performance could be better:

1. Acknowledge your conditioning. Get real with pre-conceived notions. Acknowledge that some "truths" that hold you back are merely hard-wired thoughts and attitudes. Do you tell yourself that you're a poor performer? Although you may have "proof" that this idea is valid, the thought creates the performance—and keeps it in place.

2. Inventory your core conditioned identifications. Ask, what "stories" or beliefs are ruling your life and holding you back? To recast these stories, you first need to bring them into awareness.

3. De-condition your conditioned reactions. Unplug your physiology

from limiting stories or beliefs. Your belief lives in your body and brain. You can't just plop a new thought on top of it and pretend it isn't here. So, allow the negative message to come up. Feel how it feels (tension? anxiety? depression?) Breathe deeply into those sensations and allow them to dissipate.

4. Re-structure conditioned identifications (re-wire your brain). By acknowledging that your "stories" are not truths but conditioning, you can remove the old DVD and insert a new experience of yourself, not just a new "thought." Wherever you feel you are lacking, experience its positive flip-side, *feeling* yourself as this new image. You will need to run the process several times to see results.

Correcting Problems

After experiencing this process, introduce it to others using five tips:

1. Express the positive flip-side. Acknowledge their positives and potential: "This report shows me that you know what you're talking about. I see ways we can improve it, but it's an excellent start." "I appreciate the way you handled that difficult customer and know you'll use that ability in interactions with others."

2. Acknowledge people's value. Let them know that you see their potential to become superstars and you will help them get ahead, and increase income. Be clear that you are on the same team and seek their progress.

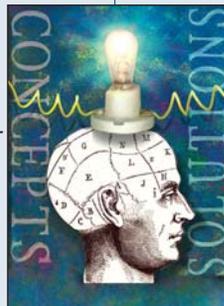
3. Be specific. Target specific behaviors. "You're sloppy with numbers" is less helpful than "When you run an analysis, see it from the client's eyes. If you had to make a decision based on the numbers, would you have enough information? Are the numbers clear?"

4. Be the coach. Look for ways to improve performance. Rather than focusing on what is wrong (which creates non-productive tension and anxiety), focus on specific tools to make progress. Offer helpful books, articles, CDs, or processes. View them as talented artists who need coaching to shine.

5. Give it time. Remind yourself of the time and expense you'll spend if you have to fire and re-hire for this position. If your employee has potential and can be coached, being patient will save you time in the long run. **LE**

Adrienne Ahern, Ph.D. is a performance psychologist, keynote speaker and author of Snap Out of It Now! Visit www.SnapOutOfItNow.com.

ACTION: Deal effectively with your problems.



A Leader's Greatest Gift

Give people the best of the best.



by **Ron Morrison**

AS A LEADER, WHAT IS the greatest gift you can give to another person? You have various gifts and possess each to a different degree. Great leaders possess exceptional qualities that are respected and admired by others. These qualities include being assertive, kind, diligent, respectful, honest, caring, loving, hard-working, dedicated, trustworthy, open, thankful, and truthful.

As a result of these qualities or gifts of leadership, people naturally gravitate toward them. Such gifts create authority, grow influence, and cause people to select a particular person to follow. Countless books and articles are written to teach, show, and guide people how to develop these gifts.

However, few leaders know how to use the single greatest gift of leadership—the gift that separates the good from the great. Many leaders may behave according to high standards, ethics, and morals. They may be punctual, forthcoming, honest, hard-working, diligent, deliberate, awe-inspiring, and hold to the finest principles. And, where they are deficient, they work to close the gap! However, they may not utilize the greatest leadership gift! This gift, when genuinely given away, breaks down barriers, bolsters a sense of belonging, and creates trust, influence, and desire to improve!

What is a leader's greatest gift? We all can lead, build influence, and make a difference by giving the great gift of *encouragement*. Although you may possess many gifts of leadership, the greatest gift you can give is encouragement! How? **First, state your disposition. Second, reveal your personal or professional growth as a result of the relationship. Third, express your thanks!**

You too have the gift of encouragement and you need to give it away more often! As you make your gift list, don't forget the greatest gift you have to give—the gift of encouragement! **LE**

Ron Morrison is CEO of SASI. Visit www.sasi.com.

ACTION: Give the gift of encouragement.

CEO Complaints

How you can prevent them.



by Christopher Rice

GRIPES VOICED BY THE president or CEO often are clear signals that the senior team is not functioning well. These complaints can reflect underlying interpersonal issues confronting leaders, or stem from the top executive's own behavior. If unchecked, problems at the top seep down, affecting culture and productivity, holding you back from great accomplishments.

Four Common Gripes

These four CEO complaints represent potentially destructive issues:

"All I get is data, but not much insight." Numbers are required for running the business, but top executives shouldn't have to slog through piles of data. They need the numbers netted out into meaningful information to drive effective decision-making. Yet many senior teams spend so much time mired in the weeds of the data that decisions get postponed repeatedly. That's not a winning pace.

CEOs need to set clear expectations to encourage meaningful recommendations over data dumping. One executive of a pharmaceutical business unit tells his team, "Tell me the story. I assume the numbers are there." Another approach is to require senior team members to build presentations around only one number to force them to focus on the implications of their analysis and next steps. Focusing on insights at the top encourages agility and helps prepare leaders to communicate decisions in a way that is compelling and makes sense to others.

"We focus so much on competence that the senior team never gets emotionally charged up." Overall business competence can be considered the "entry fee" to a senior team. Business savvy, clear reasoning, responsibility, and a focus on results all help executives secure a seat at the coveted table. Yet today's market leaders are fueled by *passion*. And the source of energy? The executives at the top. Senior team members need to be capable of "flicking the switch"—to trigger enthusiasm and commitment throughout the ranks.

I encourage senior teams to reserve time to step out of the business at hand to reflect on and reveal what fuels them as individuals. What personal values matter most to them? What pivotal moments from their past shape their goals and aspirations? Why are they working for this organization?

Such reflection provides individual leaders with the personal clarity they need to take a stand on important topics. The sharing of personal motivators is also critical for senior team dynamics, helping the executives understand and trust one another, and work more effectively together. Another important benefit: Leaders who understand what matters most to them can bring their personal passion into their messages with shareholders, customers, and employees. Knowing what inspires them



personally, they inspire others to action.

"All we talk about is results, but we don't change the way we do things." High-performing organizations hold themselves accountable for not only the "what" (results) but also for the "how" (core values). This isn't an easy practice for senior teams pressured to deliver quarterly earnings. Yet there are a number of steps that senior executives can take to drive the type of changes needed for long-term success.

Leaders can take a reality check through focus groups, interviews, or a cultural audit. These data-gathering methods help executives understand the behaviors and practices that are rewarded. Some firms may find that their core values are merely espoused, not reinforced, modeled, measured, or rewarded. A common example: A company may pledge the value of teamwork but have a compensation plan that rewards individual contribution—or may promote leaders who get

results *without* living the core values.

Senior teams need to examine their own leadership behaviors as well, since the "way we do things around here" starts at the top. A reality check is helpful for leaders, and can involve multi-rater feedback, for example. Another helpful practice is "discussing undiscussables." This exercise is best initiated by a neutral third party like a consultant, but once the team learns the basic steps required to get sensitive issues on the table, they can use it regularly as a way to hold themselves accountable for effective teamwork.

"Everyone always agrees with me, and that makes me uneasy." Agreement and politeness are only slightly better than open warfare. It's essential to create an environment where different points of view can be debated without executives walking away angry.

One firm has a mantra that "silence does not equal agreement." It's common practice for senior team members making important decisions to share the "why" behind the "what" of their votes. This acknowledges that few decisions are simple yes/no choices but rather shades of grey. Another team practice that drives constructive debate is to structure discussions where team members need to articulate opposing points of view to ensure all sides of the issue are considered.

Of course, CEOs need to be vigilant in assessing their own behavior and fine-tuning their radar to pick up what they're not hearing—and why. CEOs with charismatic personalities need to be extra wary, because their clarity of vision and passion may create reluctance within the team to question or sound a discordant note. Many of the executives who complain that no one speaks up actually send a clear message that dissent is not welcome.

The Bottom Line

Leaders at the top need to stay attuned to the issues that may be undermining the effectiveness of their senior managers. When the right numbers are coming in, it's easy to overlook behavioral issues. Yet the great CEOs don't wait for earnings to tail off, but intervene so that all their top people are involved on a visceral level and working together as a team.

CEOs need to listen to their own grumbling now—and step in. **LE**

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ACTION: Monitor these common gripes.

Shifting Energy

Do you look for what's right or wrong?



by Bruce D. Schneider

ARELENTLESS, DAMAGING stream of fear flows through many organizations. It is the *Stream of Unconsciousness*. Its constructive counterpart, the *Stream of Consciousness*, flows through only a few organizations and is fed by creative and positive thinking that produces questions like "What's right?," "What's the opportunity?," and "How can we make this work?" In contrast, the *Stream of Unconsciousness* is based on one question: "What's wrong?" This stream is the one most of us see, listen to, drink from, and bathe in.

Most employees spend time focusing on what's wrong with their jobs. More than half of them would choose, if they could, to leave their employment. Retaining talented and dedicated people is a most challenging and important task. Today's leaders are burdened with the responsibility of developing and keeping their people. Ironically, the average worker's job dissatisfaction is not based on wages, workload, or long hours. Instead, it is due to "problems with leadership."

How Leaders Are Seen

Despite their best efforts, as a result of the "what's wrong" perspective, most staff members see their leaders as uncaring, uninspiring, and unfit to lead. And, it doesn't stop there. Attempting to navigate from the *Stream of Unconsciousness*, leaders are confronted with an endless flood of problems. Solving one problem merely clears the path for another to replace it. A multitude of additional responsibilities and pressures rests on leaders who once were expected only to maintain and increase profits. Now, leaders must also answer to stakeholders, understand cultural and ethical issues, recognize generational differences, be aware of legal implications, resolve conflict, manage crises, develop effective teams, maintain customer satisfaction, review employee performance, develop succession planning strategies, keep on top of technology, deal with diversity, and stay abreast of soci-

etal changes and global perspectives. They must do all this and more, while trying to remain healthy and balanced in their personal lives.

These pressures result in two common outcomes: The first is the "ostrich effect" that occurs when managers bury their heads to disconnect from reality. This approach creates absentee leaders—people who are no longer actively involved in the challenges of day-to-day operations and are emotionally disconnected from staff members as well as to their own feelings. The second outcome occurs when a manager takes on all challenges and tries to meet every demand, resulting in burnout and dissatisfaction.

What will it take to shift the pressure and negativity that surrounds our companies, personal lives, and communities? What will help people be productive, content, and have a positive view of the organizations they work for and the people they work with? It will take a powerful leader who is skilled and versatile. The way to become a powerful leader is to understand the power of energy.

Most professionals take the quick-fix approach in an effort to ameliorate long-term management challenges. This approach doesn't work. Great leaders know that transformation is a continuous journey toward self-actualization, a process that includes learning how to help oneself and others accomplish not only more than could have been accomplished otherwise, but also, more than what might have been believed possible.

Great leaders know what drives people, and they make shifts in themselves and others toward new ways of thinking, feeling, and acting. These shifts create the foundation for success.

Great leaders also see that a company's best resource is the human resource. Tapping into the core of what drives and motivates people is the secret to uncovering the source of power. Understanding and positively influencing the leader's own level of energy, as well the energy of their employees and the organization, leads to solutions for almost all challenges.

Many leaders are experts in prob-

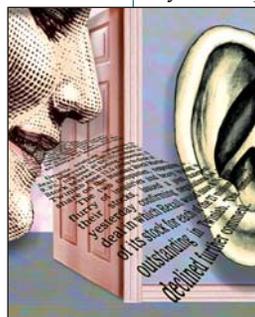
lems; some in problem solving; and a rare few who know it is not their job to solve problems, but to create an environment that prevents them. This ability begins with the flip of a coin.

Heads or Tails?

Einstein said, "The significant problems of today cannot be solved by the same level of thinking that created them." Why is this? Consider the world of duality in which we live. For every mountain, there is a valley. For every day, there is a night, and for every question, there is an answer. The question and answer are two sides of the same coin. It's the concept of yin and yang. Questions and problems are created on one plane of energy, while answers and solutions exist on another. If you "flip a coin," you find that the

solution was there all along. While the average leader may be the problem, the answer resides within that same leader.

Leaders can find their answers by breaking through internal and external blocks and generating a synergy of physical, emotional, psychological, and



spiritual strength that produces extraordinary and sustainable results. They can transform their business and their life as they journey through seven levels of energy and leadership—away from the destructive thinking toward a higher consciousness. They can understand what drives and engages people and motivate others to greater productivity and job satisfaction. They can then get themselves and others to do more than they would on their own, creating a win-win for leaders, their staff members, and their organizations.

In any organization, there's a direct relationship between the flow of the energy stream and the flow of finances. You can build or break down whatever dams are necessary to shift the flow of income directly to the bottom line.

Once you understand why you see yourself, your employees, your clients, and the world as you do, you create the ability to choose, from seven perspectives, how to see yourself, anyone else, or any situation or challenge that flows into your world from the *Stream of Unconsciousness*. This understanding is the key to true success. **LE**

Bruce D Schneider, Ph.D. is CEO of iPEC Coaching, an entertaining and charismatic speaker, coach, and pioneer and innovator in professional coaching and human potential. Visit www.IPECcoaching.com.

ACTION: Shift the energy in your organization.

Five Leadership Tactics

Resolve to make 2008 a pivotal year.



by Quint Studer

WANT TO MAKE RESOLUTIONS that not only improve your bottom line but have staying power?

As you look back over 2007, you may feel a vague sense of discontent. Business is sluggish. Several key people have left. And with new competitors springing up every day, you need to be at the top of your industry. Oh, things are not *terrible*—not yet—but they could be a lot better. You need to turn things around, and you know you need to make some big changes in this year. Problem is, you're not sure what they are. A new improvement initiative? A hot new product? A new executive team? Make 2008 the year you focus on leadership. Not leaders, mind you—*leadership*.

Solid results that stand the test of time are the result of excellent leadership. Products and services change with the demands of the market. Individual leaders come and go. The key is to create a culture that ensures great leadership today and tomorrow.

You need a long-term fix, not a magic bullet or a trendy program *du jour* or a charismatic leader. You need a culture built on good, solid, time-tested leadership principles. Institute proven across-the-board behaviors that don't depend on particular individuals. Implement some tried-and-true best practices—also known as *evidence-based leadership*—to create results that last. These practices are simple, commonsense tactics that leaders can get their hands around and start doing right away. And you *don't* have to adopt every directive in his book to enjoy significant results.

By implementing these five “biggies,” you'll see dramatic changes:

1. Get rid of low performers, now.

Let's say your employee Carol consistently comes in late, gets “headaches” every other (non-payday) Friday, and spends more time cheerily chatting up coworkers than she does working. Others *will* notice—and they *will* be resentful. But worse than merely causing contention in the ranks, turning a blind eye to the “Carols” squelches

profitability. Why? Because middle performers get pulled down to the low-performer level, while high performers either disengage or leave.

Many leaders give low performers a pass. My remedy involves implementing a series of performance conversations. It's easier *not* to confront low performers, but until you move them either up or out, your company will never advance beyond short-term gains. Low performers hold everyone else back. Stop looking the other way.

2. Accentuate the positive. The next time you're having lunch in a restaurant, listen in on the conversations at nearby tables. Chances are, you'll hear people griping about their workloads, difficult clients, annoying coworkers, or the ridiculous policies. Everyone does it, but if they realized how harm-



ful it is to their company, perhaps they'd think twice. The solution is to hone the art of *managing up*—positioning your people, products, or company in a positive light. Hardwire the technique into your leadership practices. Managing up doesn't just happen; you have to *make* it happen systematically. Help people see what happens when negativity is allowed to breed—good people quit and customers leave—and they'll be more likely to stop doing it.

3. Make a real connection with employees—every day.

I recommend “rounding for outcomes.” Rounding helps you communicate openly with your employees and find out what is going well (and not so well) for them at the company. But it's not just empty “face time”—it's rounding *for outcomes*, which means the process has a serious purpose. You make the rounds daily to check on the status of your employees. Basically, you take one an hour a day to touch base with people, make a person-

al connection, recognize success, learn what's going well, and determine what improvements to make. Rounding is the heart and soul of building an emotional bank account with people. It shows them that you care.

4. Say thanks. In fact, put it in writing. Send thank-you notes to employees who do an excellent job. But that doesn't mean just sending the occasional note when someone goes far above the call of duty. It means literally mandating a specific number of thank-you notes for leaders to send to the people they supervise. “Thank-you notes don't just happen. If they aren't hardwired into a culture, they don't get written. And a thank-you note is too powerful a tool not to use. People love receiving thank-you notes. They cherish them. The best thank-you notes are:

- *Specific.* A thank-you note that focuses on something specific the recipient has done is far more effective than one that reads, “Hey, nice job!”
- *Handwritten,* if possible. Most people would rather receive a short handwritten note than a two-page typed letter. It's more authentic and special.
- *Sent to the employee's home.* When an employee receives a thank-you note at home, it feels more personal.

5. Don't just recruit great employees—re-recruit them. We all know employee turnover is expensive. But more than 25 percent of employees who leave positions do so in the first 90 days of employment! To retain new team members, you need to build relationships. Scheduling two one-on-one meetings, the first at 30 days and the second at 90 days, greatly improves retention and that turns into savings.

If these meetings are handled successfully, new employee turnover is reduced by 66 percent! Use a list of questions to discover what's going well, and not well. These meetings help you shore up relationships.

Once you implement these tactics, results soon follow. Your employees will see that you care about them, which boosts morale, which improves performance, which leads to happier customers, which leads to higher profits.

The leaders' job is to create happy, loyal, productive employees. They, in turn, will create happy, loyal, profitable customers. They are two sides of the same coin—and that coin is the currency that buys you results that last. **LE**

Quint Studer heads the Studer Group, an outcomes firm that implements evidence-based leadership, and author of Hardwiring Excellence and Results That Last (Wiley). Visit studergroup.com.

ACTION: Make 2008 a pivotal year.

Wise Counsel Leadership

Lead without resorting to authoritarianism.



by Randy Spitzer

AUTHORITARIANISM AND paternalism have been the dominant leadership models for centuries; but, now a new model is emerging—*Wise Counsel Leadership*. In this model, leaders partner with coworkers to create extraordinary results, and leaders are not only those in positions of authority—they're found at every level.

Authoritarianism operates on the assumption that an elite class of individuals has the right to exercise power and control over others by virtue of accumulated wealth, superior intelligence, or divine right. Paternalism, a close relative, endows power to a patriarch or matriarch, whose role is to protect members of the family, who are expected to be loyal in exchange.

Today, powerful forces are changing the way we think about leadership.

- With the rapid growth of the Internet and multiple media outlets, information is more widely available, making it far easier for people to make their own decisions and manage their lives; in the past, hierarchies controlled the dissemination of information.

- With intensifying global competition, guaranteed lifetime employment is a thing of the past; hence, workers are demanding more control over their work lives.

Globalization has also blurred boundaries, which has necessitated the creation of products and services that can easily flow across borders.

- Technology has reduced the need for physical labor to produce products, and since individuals now have more impact on creating value for customers, workers' commitment and involvement is more critical than ever.

- Customers have gained greater control. Today, customers shop around because they have choices. They can decide when, what, and how they would like products and services. Organizations that respond quickly to variation in customer demand will survive; those that cannot, will not.

We need a new model of leadership that calls on every member to be both responsible for responding quickly to customers and accountable to the organization for delivering bottom-line results.

Five Leadership Strategies

The *Wise Counsel Leadership Model* encourages every member to become a leader. It consists of five leadership strategies designed to match the specific needs of individuals to the style of leadership that will help them develop the skills and confidence to become self-directed. The goal is to build a workforce of people who own their jobs, own the systems, and deliver customer value at lightning speed.

Strategy 1: Coach. When a member needs to learn something new (even if he or she is the boss), he or she takes on the role of a *Student* who needs to gather information, develop expertise or master new skills. At this level, a *Wise Counsel Leader* acts as *Coach*—providing information, teaching skills, and helping members gain expertise.

But, coaching isn't offered only by those in positions of authority. It can be offered by an experienced coworker to a new coworker or by someone who has a fresh, outside perspective. The true measure of successful coaching is a student who can understand and apply what he has learned, and to repeat the new skill successfully without help.

Strategy 2: Counsel. Members who are focused on making appropriate decisions are *Problem-Solvers*. When a member is in the role of a problem-solver, a *Wise Counsel Leader* takes on the role of *Counsel*—offering advice without imposing a solution, allowing a problem-solver to find his own solutions and to make his own decisions.

A *Wise Counsel Leader* need not have an answer for the problem-solver or know how to solve the problem. What's important is that a *Wise Counsel Leader* cares enough to help and is able to help the problem-solver discover his or her own solution.

Strategy 3: Resource Connector. Members who seek the time, money,

and manpower to solve problems and complete projects, and who know how to make decisions and solve problems independently, are *Resource Seekers*. A *Resource Connector* helps members connect to the people and systems they need to obtain resources. They may also fill in for *Resource Seekers* while they work on an important project. They may also help *Resource Seekers* to present a business case, explaining how the added expenditure will benefit the customer and organization. For resources to be available, information needs to flow freely, allowing all workers to solve problems, improve workflow, remove roadblocks, and respond to variations in customer demand quickly and efficiently.

Strategy 4: TransAction Steward. Members who master basic job skills, solve problems and make decisions independently, and locate and obtain resources without assistance are ready to become *TransAction Owners*—people who are responsible and accountable for their jobs without direct supervision or cumbersome rules. (We capitalize the A in *TransAction* to emphasize *Action*). In these instances, *Wise Counsel Leaders* take on the role of *TransAction Steward*, partnering with their coworkers as they remove roadblocks, improve workflow, and respond to variations in customer demand. *TransAction Stewards* and *Owners* work together to create transactions that benefit stakeholders, customers, coworkers, management, ownership, and the community.

Strategy 5: Visionary Leader. The goal of *Wise Counsel Leadership* is to help people become *Self-Directed Workers* who take responsibility for designing and improving the processes and systems within which they work, and have accountability for delivering results. For *Self-Directed Workers* to stay focused on improving workflow, removing roadblocks and satisfying customers, they need visionary leaders who keep their eyes on the horizon, let their coworkers know what's ahead, and provide a compelling reason to go there.

Adopting the *Wise Counsel Model* can boost employee satisfaction, engagement, and customer value. Breaking down the walls of authoritarian and paternalistic models takes patience, persistence, and forgiveness, but the rewards of making the transition are well worth the price. LE

Randy Spitzer is Executive VP of Lebow Company and co-author, with Rob Lebow, of *Accountability—Freedom and Responsibility without Control and Wise Counsel Leadership*. Visit www.lebowco.com.

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