Leadership Lessons

Be, Know, Do

Collective Leadership

Power of Acting 'As One'

James H. Quigley
Deloitte LLP

w w w . L e a d e r E x c e l . c o m

Last of the Elephants?

Many business elephants are in danger of extinction!
Where are they going? They appear to be moving from a
lush valley into a dry, uncertain, bleak, inhospitable terrain.
But as General Motors proved, even elephants can bounce back.

Mythology of Leadership

Go beyond pin-ups and high potentials.

by Ken Shelton

For the past four months, I've been writing a book on *Money Mythology* with the CEO of a global corporation. The basic *myth* that we are debunking is this: By accepting the *traditional employment* offer—take a job, be a loyal worker, live a conservative lifestyle, and save a little money on the side—you can become wealthy. We suggest: You might make ends meet, but you may also end up indebted or disillusioned, unemployed or underemployed.

The solution to the myth is to cultivate an entrepreneurial mindset and leadership skill-set, even if you work in government, at a university, or within a large corporation. The dirty little secret is that, in effect, we are all *self-employed* (but few are *self-led*).

Having previously written a book on *Counterfeit Leadership*, I'm familiar with the territory of mythology. In leadership, we have plethora of leadership myth, legend, lore, fantasy, and fiction—a magazine rack full of CEO *pin-ups* (leaders who excel in the social, political, and appearance aspects of corporate or organizational leadership).

I was talking recently with the head of a committee in search of a new CEO. He confessed, "I don't think this organization even wants a real leader, just someone who looks the part—could even be an actor—for public relations and fund-raising purposes."

That is such a refreshing admission! Having edited *Leadership Excellence* for the past 28 years, and connected with countless "leaders," I can attest that such actors may be the norm—because they can add considerable value, especially in organizations where the social, political, and appearance aspects of leadership are highly prized. In toady's world, on any stage, *if you don't look the part, you don't get the part*. Appearance, *looking and acting the part*, is the price of admission. Perhaps that is why *height* is still the highest correlated trait of people in leadership positions. Since we naturally *look up* to tall people, we tend to regard them as natural leaders—and promote them as such.

Yes, I also see a few *authentic leaders*, but even those who use the *authenticity* language often don't know how to identify, recognize, develop, or reward authentic leaders. Indeed, historically, most authentic leaders have been establishment outcasts.

This is why I'm including some *military thinking* in this issue—to remind us of the scope of real, authentic leaders. I've always liked the West Point, *Be, Know, Do* model, as does best-selling author **Jim Collins**. "The beauty of this framework," he writes, "lies in *the dualities of leadership*—knowing when to follow and when to not follow, the responsibility to question and the responsibility to execute, dedication to mission first and dedication to your comrades above all. *Disciplined action* does not mean *rote action*."

I also include an article from the book *As One* by **Mehrdad Baghai and James Quigley** to remind us of the power of *as one* behavior.
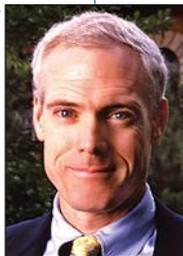
Jim Collins

In the spirit of *Smart Trust*, the new book by **Stephen M.R. Covey** and **Greg Link**, I advise that we discern wisely how and to whom we extend trust, since not all leaders can be trusted. *Smart Trust*, say the authors, is not *blind trust* or *distrust*—it's "judgment that enables us to operate with high trust in a low-trust world. It minimizes risk and maximizes possibilities."

Put Priority on Leadership Skills

I was interested in a recent press release received from Right Management, noting that *North American firms place a higher priority on leadership ability and potential than any other factors when filling a top position*. Among the hiring factors typically considered for C-level positions are: *track record for driving performance, cultural fit, creativity and innovation, as well as critical thinking skills*. "When it comes to top positions, all organizations recognize the pivotal importance of leadership skills whether it would be *innate charisma* or *skills carefully developed over a lifetime*," said Michael Haid, SVP of TM at Right Management. "But North American organizations place the greatest priority on leadership (71 percent compared to the global average of 61 percent)." Contact: shari@fryerassociates.com.

I don't think this survey proves me wrong, because on decision day, the candidate selected is usually the one with those highly prized *social*, *political*, and *appearance* aspects of leadership—lackluster performance track record notwithstanding. **LE**

Ken Shelton
Editor since 1984

Executive Excellence Publishing

Collective Leadership

Feel the power of acting As One.

by Mehrdad Baghai and James Quigley

AS ONE: IT'S A SHORT PHRASE—ONLY five letters. But those five letters are filled with meaning and inspiration. They make all the difference between a *group of individuals* and a *unified team*. Those five letters symbolize the culmination of *individual action* into *collective power*. They describe how individuals can collaborate to achieve *extraordinary results—together*.

Every day, millions of people worldwide collaborate. We join, share and cooperate with others from different countries and backgrounds, across organizations and industries. The world continues to advance because people are *problem solving, innovating* and *collaborating* to make things happen. Some even argue that, throughout history, our survival and progress have depended on working together.

Some collaborations may be unintentional; others are deliberate. Some are modern and supported by web-enabled technology; others are traditional and draw on community beliefs and customs. Yet despite studies into human behavior, our knowledge of deliberate collaborative endeavors is still formative, especially as it applies to large organizations. Furthermore, the study of collaboration may be about working together, but it isn't necessarily about working as one.

Adding the phrase *as one* to another word changes its entire meaning. *Working* versus Working *As One. Winning* versus Winning *As One. Stronger* versus Stronger *As One.* Think of the possibilities. The sources of inspiration are endless. Believing *As One.* Succeeding *As One.*

As One behavior represents something different and distinctive but not formulaic. We often look for *strong* and *dominant* leaders, but based on what we're learning about collaboration, **leadership can come in many different shapes and sizes**. It can sometimes be about creativity, empowerment, top-down direction, emergent strategy, strength in numbers, precision, autonomy, as well as hierarchy It is all about further defining the different shapes and sizes and applying them to your unique situation.

The definition of leadership is evolving.
• Some say *leadership* is all about *productivity,* getting people to be on the same page so they work together efficiently. They say a great leader should get people to have a common interpretation around how to work together.
• Many say *leadership* is all about *people.* They say a leader's job is to develop people's sense of belonging to their group. They believe a great leader should get people to have a *strong shared identity* or sense of who they are.
• Others say *leadership* is all about *purpose.* They feel a leader's job is to

drive people's commitment to act on the goals of the organization. They say a great leader gets people to have a strong sense of directional intensity around what they need to do together.

We believe real leadership involves all these things. We call it working *As One,* and it represents the pinnacle of *collective leadership,* or **leadership that results in a cohesive group of people working together effectively toward a common goal or purpose**.

Need for a Common Language

The marketplace is constantly selecting winners. Whether the competition is for capital, talent or market share, the winning edge is usually determined by the organization that best works together as one. **Collective power is a powerful competitive force.**

Frequently the case studies on leadership point to the enterprise as a whole, and its leader as the CEO. The *winning edge* that the *As One* approach can provide is dearly available to an entire enterprise and its CEO, but these leadership concepts also cascade throughout. Business unit leaders, product managers, and account team leaders who work *as one* will perform at a higher level. Whether as a team of five or 50,000, the aspiration to work *as one* is the *timeless leadership challenge*.

We do not espouse *collaboration* for its own sake. Leadership should be much more strategic (and deliberate). The initial difficulty lies in identifying which people need to be involved (the *Who*) and what purpose they need to satisfy (the *What*). This is a leader's *As One Agenda* because it outlines the *Who-What* information critical for success.

The *As One Agenda* clearly identifies where the organization's collective leadership is most valuable. We've developed tools to help leaders assess the strength of the *Who* and *What* dimensions. But the greater challenge is this: **How do leaders ensure they share with their team a clear understanding of what working together productively means?** People often have different interpretations of *working together* or how they need to collaborate to achieve their priorities (the *How*) ranging from effective communication processes to a sense of belonging created through culture or other means to incentives to motivate behavior.

A common language, framework or taxonomy has not been developed and widely accepted that accurately describes *how different people think about working with those around them.* So how can leaders possibly test whether their people have the same understanding?

We need to develop a more precise understanding of the different ways that individuals collaborate. We've discovered that there is a rich taxonomy for how people can work together, but mapping it is difficult. It involves many factors: hierarchy, decision making, incentives, communication, control, or technology. It involves separate and multiple parties—leaders, followers, partners and organizations—with varying agendas, interests, and environments—*all working toward a common goal*. If leaders could equip themselves and teams with the right language to align all of these disjointed pieces, *they and their teams would deliver greater impact*.

Our Future—As One

As One may seem primarily applicable to leaders and their teams, but it doesn't just have to be about internal interactions. The concept is a starting point for all leaders to understand how they can apply specific collective lead-

ership techniques to best fit their situations and challenges.

We now have a rigorous toolkit for leaders to understand and decide what it means to work *As One*. We have a common language for *collective leadership*. People need to be on the same page, and reading the same words.

Around the world, examples of inspirational *As One leadership* surface. Regardless of where you are, the real power of *As One* happens when the positive one-on-one activities of individuals culminate as something bigger and better. Imagine what we could accomplish if we could unlock the power of *As One* on a global scale.

Through a common and evolving language and framework of *collective leadership*, working *As One* could create a big difference in our world. *Individual action. Collective power*. Join us to discover the power of working—*As One*.

We're just beginning the *As One* journey and now have the components of a rigorous framework for leaders to understand and decide what it means to work *As One*. We have created both a common language for *collective leadership* and developed our first descriptions of eight different archetypes.

We recognize that *collective leadership* is much a *next practice* domain. There is still much to discover, test and refine. That's why we're launching a new global center. The *Deloitte Center for Collective Leadership* will draw on practitioners and collaborators from academic institutions, business, public administration and other walks of life.

A key aspect of the Center's work will be developing a richer taxonomy for describing an array of *As One* archetypes. We have already identified different levels within our preliminary model of *As One behavior*, but we've only scratched the surface of understanding how leaders can take advantage of working *As One*. Worldwide, examples of inspirational *As One* leadership continue to present themselves. The power of *As One* happens daily, in many settings as individuals come together and *act as a collective force*.

Imagine the power of thousands of collaborators identifying and documenting these examples on a global scale. This would facilitate the discovery of new modes of *As One* behavior and enable leaders and followers to transform their organizations and effectively address societal challenges.   LE

ACTION: Lead As One behavior to achieve results.

How to Gain Trust

Competence, care, and integrity.
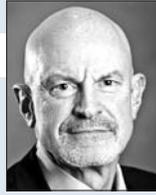
by Jack Wiley

Oᴺᴱ ᴵᴺ ꜰᴏᵁᴿ ᴱᴹᴾᴸᴼʸ- ees don't trust their leaders! As a leader, what can you do? *Do your employees trust you?* This question cuts to the heart of your working relationships and even the performance of your organization. As a senior leader, you can't afford to ignore trust. A lack of trust in leaders has a negative impact on staff retention, employee well-being, and performance.

Employees who distrust their leaders are nine times more likely to seriously consider leaving, 15 times more likely to report unreasonable work stress, and seven times more likely to feel mentally and physically unwell.

Trust requires a person to have *reliance* and *confidence* in the actions of another, with no guarantee that he/she will behave as desired in return. When applied to leadership, *trust is a person's willingness to take a risk for a leader* with the expectation that, in exchange, the leader will behave in some desired way. For example, a person may risk remaining at an organization during lean times with the expectation that the leader will pull the organization out of the slump.

Employees who trust leaders want to stay. Trust in leadership is important in retaining employees—employees who trust their leaders want to stay; those who distrust their leaders are nine times more likely to seriously consider leaving (about half of all employees who distrust their senior leaders are seriously considering leaving). Of those who do trust their leaders, only 14 percent are seriously considering leaving.

What drives trust? What makes people trust one another? Trust is not an absolute quality. We trust others a little, a lot, completely, not at all or any number of variations in between. What makes us trust or distrust people is largely a combination of three things: 1) competence (*Can they do the job?*); 2) benevolence (*Do they care about me?*); and 3) integrity (*Are they honest?*). These things account for 80 percent of what makes employees' trust their leaders.

To maximize the trust they receive from their employees, leaders should demonstrate *all three qualities*. However, *integrity is the most important* at 41 percent, followed by *benevolence* at 34 percent, then *competence* at 25 percent. When the goal is to maximize trust, leaders must know how to do their jobs well, but it is even more important for them to be considerate, supportive, and honest with their employees.

How to gain the trust of employees? You not only have to demonstrate these three qualities—be honest, benevolent and competent—you also have to *be seen to be so*. You must *show trust* in people around you. Listen to them; empathize with them; show your concern; be honest with them; be true to your word; treat them fairly. Actively manage how you are perceived by others. Try to connect with people on a personal level. This could be as simple as *shaking hands with them*.

We see clear links between professional human capital management (HCM) *best practices* (such as mission statements, regular surveys, and performance reviews) and *trust in leadership*. These HCM practices, typical of progressive organizations, are also linked to levels of trust in leadership. In fact, employees are twice as likely to trust their senior leaders if the organization has engaged in these practices. And the more of these best practices that the organization engages in, the greater the level of employee trust in leadership.

Knowing which employees are less trusting can help you to target interventions. When analyzing whether certain employees tend to trust leaders more or less than others, we found no significant difference between men and women (but the percentage of people who trust their leaders seems to decline with age). Employees in their 20s are *twice as likely to trust their leaders* as those in their 40s or 50s. And, there are clear differences in trust at different levels; upper and mid-level managers trust their leaders by 15 percentage points more than rank-and-file.

Acting as a trustworthy role model and advocating a business case for trust could help to improve staff retention, well-being, and performance.   LE

ACTION: Act as a trustworthy role model.

Ask Four Questions Daily

Reflect on your leadership impact.

by Steve Arneson

LEADERSHIP IS ALL about people. If you're a manager, you don't lead budgets, real estate, technology, raw materials, or even projects. You lead people—period. Everything you do as a leader should be about the people you have the *privilege* to lead. The leaders who understand this are the ones everyone wants to work for— these are the managers who annually get the highest engagement scores, have the lowest turnover, and get the best results. It's because they "get it"— they know it's not about them, it's about their people.

You are striving to be such a leader. That's why you read this publication, solicit feedback on your style, and experiment with new techniques to raise your leadership game. You realize that *you can always improve*—that you're never too *established* to try something new to achieve even greater results. You understand that if you get better as a leader, everyone benefits.

Reflect on Four Questions

With that in mind, here's a simple reflection technique to remind yourself that it's not about you. Every night, on your commute home, ask yourself four questions. That's it— nothing complicated, just an honest conversation with yourself about how you performed that day as a leader. This daily exercise requires no budget, is easy to remember, and only takes a few minutes.

How did I show up as a leader today? The first question gets at how others experienced your leadership. How did you "show up" in your leadership role? How did you walk the halls or participate in meetings? Did you conduct yourself in a poised, professional manner? What was your mood or attitude? Did you work on the right big things? Did you spread optimism, inspire confidence, and engage people? Or did you hide in your office, destroy confidence, complain about external forces or cultivate a negative environment? What was it like to be around you today? As the

leader, you're always on stage; people are watching what you do and say, and they take their cues from you. So, you need to be aware of your behavior and attitude. Ask yourself, *how did I show up today?* Be honest, and give yourself a grade or a score; imagine that someone is keeping track of your daily leadership performance. Take the time to hold up the mirror on your own leadership with this simple exercise.

What did I communicate today? Since communicating is such a big part of leadership, ask yourself every night: *What did I communicate today?* Frankly, if you're like a lot of leaders, there's a good chance you're *under* communicating. Yet every day is an opportunity to communicate with your team, even if it's just to touch base on a personal level. But beyond the normal interac-

tions, did you provide any new information today? Did you share something about what's going on around the company that increases people's sense of ownership or engagement? Did you translate strategy, explain a recent organizational move, or pass along communications from senior management? How did you connect your people to the company's mission today? How did you inform, educate, or explain? This might not be an everyday occurrence, by the way. Some days there just isn't a lot of "new news." But by keeping track of what, how and why you're communicating, you can get a real sense of whether you're communicating often enough, and whether it is having the desired effect. Again, reflect on your specific communications, and give yourself a grade or score on this important leadership behavior.

Who did I develop today? The third question is: *Who did I develop today?* In many ways, developing talent is your

primary job, and it's something you should be doing all the time. Who did you coach or mentor today? Did you provide anyone with an opportunity to present to senior management? Did you give someone a new task or a stretch assignment? Did you send anyone a book or an article to read? Did you meet with anyone to review a project and push their thinking? Did you challenge anyone's point of view, and make them better for it?

The point is this—if you think about development as something you can do every day, chances are you will. This isn't limited to your direct reports of course; you have an obligation to develop people on your extended team as well. Take stock every evening of who you developed today, and how. You'll find that the simple act of reflecting on this question will increase the frequency with which you coach and develop others.

Who did I thank today? This question reminds you that you're not alone in producing results. You have a team of people focused on moving the organization forward—people who work hard for you every day. Ask yourself, each night: *Who did I thank today?* Are you saying "thank you" regularly? Are you recognizing people's efforts, encouraging them with positive feedback, and telling them you appreciate their contribution? As the leader, you should be setting the tone of a positive work environment—one where people feel good about putting in the extra effort that makes the difference between good and great. Again, take the time to assess how well you maintained an appreciation rich atmosphere within your team today.

What Are the Patterns?

Try asking yourself these four questions at the end of every work day. See what patterns or trends emerge, and where you have opportunity for improvement. Are you practicing servant leadership? Are you communicating useful information regularly? Are you consistently developing your team members? Are you expressing your gratitude? Use the data as a baseline to track your progress and assess your behaviors, and step up your efforts to lead more effectively. If leadership is all about the team, make sure *your* team is getting your best every day. **LE**

Steve Arneson, Ph.D., is president of Arneson Leadership and a leadership coach, speaker, and the author of Bootstrap Leadership: 50 Ways to Break Out, Take Charge, and Move Up. *Visit www.arnesonleadership.com; steve@arnesonleadership.com.*

ACTION: Reflect on these four questions daily.

Jettison Management

It's time to free knowledge workers.
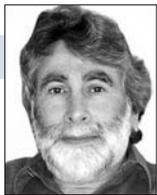
by Mark Addleson

EVERY FEW YEARS SOME-one claims that it's time for a *management makeover*. The claimant has the tools to put things right, and, once everyone is on board, he says, management will be in good shape. Organizations will be efficient and profitable, running like well-oiled machines. Claims like these feed a steady stream of fads, but once the fuss over the latest one dies down, nothing much has changed.

So, what do you make of my claim —that *management can't be fixed*? It's time to **move beyond management**.

The heart of management is actually about organizing work, so things get done properly, but managers at all levels don't pay enough attention to work. They hardly think about work. Work sits at the farthest reaches of the management universe, light years from things they consider important. One of these is *the organization*. Look behind reengineering, restructuring, or any other fad, and you'll discover that they make organizations more efficient (quicker, better, leaner, faster, cheaper). Then there is a laundry list of things managers pay attention to. To keep it simple I talk about six *D's of management:* documents, data, directives, deliverables, deadlines, and dollars.

Does it matter that work isn't on management's agenda? To answer this, consider the following. What do a software company in Australia, a clothing factory in Macau, and a government department in the United States have in common? If your answer is *very little*, I agree, but management doesn't. There isn't one kind of management for clothing manufacturers and another for software developers. Good management is good management, and a good manager will use standard practices to run any organization, including a government agency and a non-profit, or so we are lead to believe.

Here is where the argument falls down. In two of the three organizations people do knowledge-work. The other is a factory. The *one size fits all* management mindset assumes that practices designed for industrial organizations work just as well in knowledge organizations. Of course, this is nonsense. Factory-work, typically, is solitary, routine, repetitive, mindless, and machine-like. Knowledge-work is none of these, yet we use principles and practices that originated in armories, on Henry Ford's assembly lines, and New York's garment district to organize software companies, development agencies, management consulting firms, schools, and government programs. The industrial age language of *efficiency*, *productivity incentives*, and *training* is a strong clue that management is an anachronism.

While the work managers *do*—planning, coordinating, controlling—and the techniques they use, are largely unchanged, the work they *manage* has changed completely. Knowledge-work

is collective—people do it in project groups and teams, collaborating with colleagues and clients—creative, complicated. Hence, knowledge-workers need to be agile, able to change course whenever circumstances demand it.

• Management relies on *aggressive competition*. Knowledge-work requires *cooperation*. This is what it takes to share knowledge.

• Hierarchy, turning colleagues into superiors and subordinates, drives a wedge between their interests. One lot (superiors) can speak. The others (subordinates) must listen. This is no way to build relationships that encourage collaboration and knowledge-sharing.

• Bureaucracy throws two kinds of obstacles in the way of knowledge-work. Rules, requirements, and rigid structures all work against flexibility, while inside the structure, organizations are a jigsaw puzzle of separate pieces (think of an org chart). Divisions and departments are silos, their walls barriers to sharing knowledge.

• Top-down control, using numbers, plans, benchmarks, and directives is practical only when dealing with technical or engineering-type problems. The problems that keep knowledge-workers occupied, however, are *adaptive*.

Knowledge workers spend most of their time *organizing*. Knowledge-work doesn't come with instructions, like a bed from IKEA. Interacting face-to-face, over the phone, by email, or on Share-Point, knowledge workers network. And while they talk to each other, their bosses, and clients, they make their own work. Deciding together what to do, how, and with whom, *they organize and align for action*.

Reaching agreement, getting commitments, and holding people to commitments takes not only intensive discussions, but also negotiation, and hard bargaining. Traditional management practices are useless for handling adaptive work because when people align they settle differences of opinion, deal with different interests, and resolve conflicting values and beliefs. This is tough work, and the only people who can do it are *the ones involved*, who *own* the work and the differences.

Here you see the problem with management. Putting control at the top or the center undermines everyone else's authority and ability to bargain and negotiate. Knowledge-work is here to stay. As knowledge-work and management don't mix, there is only one thing to do. We have to get the high-control practices out of the way. When they're gone, with knowledge workers *in charge* at work, they'll be able to do their work—organizing—properly.

So how do knowledge workers take charge at work? The place to start, surprisingly, is with talk. Imagine a workplace where people don't talk about *superiors* and *subordinates*, *the organization, performance, benchmarks, efficiency,* and *management*. Words and stories are powerful. What they say influences how people see things and what they do. Work-talk (*management-speak*) has everyone thinking and acting as if we live and work in the industrial age. Changing the story—the language of work—will help move us on. When you leave the old language behind, you'll soon leave behind the old management mindset too.   LE

Mark Addleson is faculty at George Mason University's School of Public Policy, where he teaches in the OD and Knowledge Management graduate program, and is the author of Beyond Management *(Palgrave Macmillan). Email maddleso@gmu.edu.*

ACTION: Enable your knowledge workers to lead.

Lead Through Resources

Include people, technology, and organization.

by Terri Griffith

THE GLOBAL ECONOMIC situation pushes us all to make do with less. Many leaders are grappling with years of slow growth with continued high expectations for performance. The pressure is on to lead to the "next big thing," without more people or supporting resources. Leaders are challenged to *squeeze water out of a rock*—and it's a rock that has been squeezed for a long time. I do see hope, however. As Jim Kouzes notes: *Challenge is the greatest opportunity for greatness!*

He also mentions *the ability to look ahead.* This can mean the next step in the direction we're going, or alternatively, looking at what we have and seeing if we can take future steps to get more value. For decades we have known that *threat pushes people to focus on their expertise*: people respond to threat by becoming more rigid and set in their ways. There is great value in being able to break free from this tendency and instead to lead through all your resources rather than those with which you are most comfortable.

Leadership often focuses on people, yet the ability of people to achieve extraordinary things requires that they have access to appropriate tools and processes. Employees can't leverage all their resources if their leaders aren't thinking about how to mix together people, technology, and process.

Our technology leaders are often blinded to the need to use more than technology to approach a problem or opportunity. *If you have a hammer, then it's easy to see everything as a nail*—yet technology alone is seldom the solution. Technologies can be powerful enablers, but they must be in tune with the human capabilities and organizational processes to be effective.

Silver or magic bullet approaches are common. "If we implement this new tool . . ., if we provide this training . . ., if we hire this new person . . ., *then something wonderful will happen.*" Unfortunately our world is too complex for single-dimension approaches to work. We must work with all three dimensions, people, technology, and

process—in concert—to be successful. Leaving out one will mean you aren't using all your resources. Similarly, working with just two dimensions and expecting the third magically to adapt is also unwise. Working with all three dimensions at once means the main leverage point gets support or at least reduced interference from the others.

Consider Intuit, the company known for Quicken, Turbo Tax and Quickbooks. Founded in 1983, Intuit found in 2007 that their cherished Net Promoter metric (percent of customers who would *certainly recommend* less the percent of those *unlikely* to) had stalled. Scott Cook realized that the company he co-founded was filled with *innovators* who could take the company to the next level if they could find ways to *support innovation* throughout the company. Intuit's

current environment includes the *Design for Delight* process (including 10 percent unstructured time), the role of *Innovation Catalysts*, *Entrepreneurship Days* to bring in ideas and possible partnerships from the outside, and an on-line social network called *Brainstorm* to help people share and develop ideas.

Intuit uses all its resources to support its challenging innovation goals. Scott Cook exemplifies *leading through all resources* and *learning from all sources*—he is deeply invested in learning how other organizations put together their mixes rather than *selling his perspective.* Cook and his team are focused on how they can leverage all of their resources.

Follow Three Practices

Successful organizations follow three practices as they leverage their people, technology, and organization.

1. Stop, look, and listen to understand the options in the three dimensions. We sometimes jump to a seemingly simple solution because it's cool, shiny, new,

or powerful, but such approaches will fail us. We need to begin a change effort with a full understanding of our *available* and *possible resources.* We need to *stop and look* to see what the options are across the three dimensions of people, technology, and process, and then *listen for feedback* as we take each step.

2. Next, find a good way to mix options in the three dimensions. The three dimensions must be put together in a way that makes sense for the people and the organization. A virtual team of highly trained and experienced engineers may be able to use a complex collaboration tool with little training. A less experienced team would need either a simpler tool or more focus on collaboration and technology training. Understand your options and then put together the best mix of people, tools, and techniques you can.

You can develop skills with these practices through broad experience. Often, leaders describe careers or education that crossed multiple types of work. For example, *Earl Lawrence* of the Experimental Aircraft Association believes his ability to lead aerospace teams and projects is partially due to experience with his mother's catering business. Lawrence had learned at an early age how to manage complex systems and that skill carried over into his complex future employment.

3. Mentor people who don't have such rich career and life experiences to see the value of leading through people, technology, and process. Rhonda Winter, CIO of the Indianapolis Motor Speedway, suggests *thinking aloud to share leadership values.* She says, "This helps make clear that it's okay to make a mistake—you can play with ideas out loud; the first idea may not be best, but it's the conversation starter." Sharing strategies for leading with all resources can be a catalyst for great ideas. Winter often increases her own learning as she listens to responses from others.

In *The Leadership Challenge*, Barry Posner and Jim Kouzes write: "Leadership can be strengthened, honed, and enhanced, given the motivation and desire, along with practice and feedback, role models, and coaching."

The most effective individual contributors, team members, and leaders will join with their colleagues to have the expertise to lead through all their *people*, *technology tools*, and *process*. **LE**

Terri Griffith, Ph.D., is a professor of management at Santa Clara University's Leavey School of Business and the author of The Plugged-In Manager: Get in Tune with Your People, Technology, and Organization to Thrive *(Jossey-Bass). Visit TerriGriffith.com.*

ACTION: Use all your resources.

Drucker Wisdom

Learn these 10 timeless lessons.

by David Parmenter

ONE OF THE CLEAREST thinkers on management and leadership was Peter Drucker. Surprisingly, many leaders know little or nothing of his work. Having studied his work, I've come up with 10 major points:

1. Abandonment: If you keep doing what you did in the past you are bound to fail. Drucker saw a clear pathway to freedom, innovation and productivity through the adoption of regular and systematic abandonment. Drucker knew that people never like to admit a mistake or own up to failure. To avoid facing the truth we hope circumstances will somehow conspire to make a "silk purse out of a sow's ear". He saw abandonment as fundamental as a natural passing of old to new. Examples of abandonment included: Cash cows of the past that no longer generate the income to justify their existence; Rectifying recruitment mistakes (no matter how good your recruitment process is, you will make mistakes and staff need to be told they need to move on); Unsuccessful projects; Systems that are not delivering; and processes that we have maintained only because we did it last month, last quarter, last year. Establish an abandonment day, every month, yes every month and get all teams to come up with at least one process, system, procedure that can be abandoned.

2. Recruitment and promotion: spend 40 hours at the top of the cliff rather than 400 at the bottom. Drucker talked about *recruitment* being a life-and-death decision. Better to spend 40 hours over a recruitment or promotion decision rather than spending 400 hours sorting out the problem at the bottom of the cliff. Drucker was specific about rules over recruitment. You must know the job; you need to be well acquainted with the candidates in order to be familiar with their strengths and values. It is essential the potential new recruit's values are a good fit. You can train as much as you like but you will never be able to change values as they are part of a person's DNA. Perform detailed reference checks to ascertain the candidate's values. Track back to previous companies rather than rely on the referees listed. Drucker recommended having three candidates to ensure you have an abundance of choice (avoid making a decision where there was only one satisfactory candidate). Drucker was adamant that you never worried about weaknesses—many famous leaders had appointed staff with known weaknesses because their strengths fitted the job so well. Recruiting is the most important thing you do, so concentrate on a well orchestrated interview process.

3. Three protégés for the CEO position: Ensure three Protégés are grown for the CEO position. Drucker believed that a leader's role was largely to pre-

pare the organization for life without them. He thought it was a failure if the next CEO had to be sourced from outside. Drucker noted the advantages of continuity, culture, and acceptance. Naturally, the two in-house candidates who were not successful were expected to move to CEO positions elsewhere as they were primed for this role. Ensure you are nurturing three protégés.

4. Outside-In Perspective: always maintain an outside-in perspective. Drucker emphasized the outside/in perspective, with the CEO being the outside-in champion who advocates initiatives that focus on the customer— ones that help the staff service their clients better. Plan for a week "outside-in" visit to a branch accompanied by all your senior management team.

5. Who of your non-customers should you be doing business with? Drucker coined the phrase *non customers* to refer to the missing customers you should be servicing. By constantly focusing on *non customers*, an executive team can find these customers and look after their needs. Monitor weekly progress on selling to the top five *non customers* you have identified.

6. Encourage and nurture innovation. Drucker saw that many barriers inhibit staff innovation and performance. He advocated management *going with ideas when not all the detail was known*, being prepared to make mistakes rather than create paralysis. He loved the Japanese principle and practice of *Kaizen*—looking to perform something better, to innovate, to eliminate unnecessary steps, to question the past, and to assume everything can be improved. Drucker believed that management should invest the necessary mental horse power to find better solutions, and discuss them with all teams affected so that "every brain in the game" is used. Once a solution is found it should be implemented in three pilots to ensure the benefits will meet expectations. Celebrate innovation every week. Highlight the champions as this will encourage others.

7. Develop a collaborative approach even with your competitors. Drucker saw the importance of knowing what you were best at—the area of your business where you are truly passionate, where you can be the world's best, and there is an economic engine that will reward you. He saw business as a "Lego" construction, where you could bolt together services provided either in-house or externally. It is now easier than ever before to amalgamate different services from different entities and market it seamlessly to the customer as one entity. Businesses should be full of activities performed by third parties. He stated that there was not *competition* but just *better solutions*. Drucker saw *collaboration* as the key, even with so-called competitors. Egos and past memories can stop staff from striking effective alliances with organizations that can perform the service better and cheaper. As Drucker put it, *Your back room is somebody's front room*—and you could achieve almost all functions from collaboration. Only *marketing* and *innovation* were seen as sacrosanct in-house activities. Identify three potential alliances where activities can be done by a third party and monitor progress weekly until alliances are functioning.

8. Moving leadership to orchestration. Again Drucker cut through the difference between management and leadership. He said management was ensuring that the staff were doing something correctly, whereas, leader-

ship was seeing that staff were doing the right thing. Drucker compared the role as a leader to the role of a conductor in an orchestra. A conductor guided the professional orchestra, with minimal direction, leaving the players as masters of their own domain. Drucker said staff had a right to say *yes* daily to three questions: *Do people notice what you did? Are you treated with dignity and respect by everyone you encounter? Are you given things you need—education, training, encouragement and support?* If your staff can answer *Yes* to these questions, you have an exceptional culture. He talked often about achieving superior performance by embracing desirable values (e.g. Alcoa's zero accident value).

9. Outstanding performance is inconsistent with a fear of failure. Drucker knew that great leaders fail often, but that their successes are far greater and more frequent. Great leaders recognize failure earlier than their peers and are faster to press the *abandonment button*. In many organizations the fear of failure pervades all thinking. If an earlier decision was wrong, make corrective action or abandon the initiative. Those who make decisions and have more winners than unsuccessful initiatives should be championed as more valuable than the managers who only back a few winners. Monitor those projects that have failed and promote them as good learning experiences. Promote the notion that a decision made, even if wrong, is better than no decision.

10. Decision making requires an understanding of the decision making process. Drucker realized that decision making was subject to many pressures. He believed managers needed to be educated in the process to ensure they made enough decisions, were not afraid of failure, and knew when no decision was required. Drucker said an *unnecessary decision was the same as an unnecessary surgery*. He analyzed the decision-making process into a decision-making tree: *Action is needed; No action is required; Further investigation is required.*

Self Renewal/Safe Haven. In preaching *self-renewal* Drucker was saying: you need to have balance, other interests, passions, hobbies outside work as well as a hunger for new management concepts. You will be a better, more balanced leader if you *lead a full life*. Drucker realized the importance of balance. Leaders functioned better, were more positive and easier to work with if they had another passion outside work. LE

ACTION: Adopt regular abandonment.

Making Decisions
Get others to make some.

by Howard M. Guttman

DECISION MAKING, THE ability to choose the right path among competing alternatives, remains a quality of effective leadership. But, today, *not making decisions*—asking others to assume accountability for them—has become a sign of high-performance leadership.

Decision overload tires you out. Having one person make multiple daily decisions can lead to *decision fatigue*, since the more choices you make in a day, the harder each one becomes. The typical reaction is to shortcut the decision-making process by either acting impulsively or doing nothing.

Having others make decisions is smart. It leverages capabilities around you. Today's global enterprises are too vast and complex for one-person rule, and the *immense data flow* makes it impossible for any *one* person or team to intelligently make all calls.

As a high-performance leader, you can effectively pass the decision-making baton *without shirking your responsibilities* in five ways:

1. Create the right context. *Delegation fright* is understandable. If those below are not in sync with the strategy and capable of shouldering the burden of decision making, *delegation becomes a roll of the dice*. In high-performance cultures, decisions are not so much *delegated* as *distributed*, under *controlled conditions*, to teams. Leaders can be confident making decision handoffs when teams are: *tightly aligned with strategy, accountable for the team's success, clear on goals and responsibilities, agreed upon decision-making protocols*, and *transparent in relationships*.

2. Set decision-making ground rules. If you're planning to hand off decision-making responsibility to a team, your delegation *fright index* will rise if you know that there is confusion regarding *who* is going to make decisions and *how*. Such confusion reduces speed and efficiency, lessens accountability, and creates *decision waffle*, where team members spend more time bickering about who is the *decider* than thinking through *the nature of the decision* and *its implications*.

To increase the speed and efficiency of its decisions, teams must agree on *who* should be involved in making a decision. For example, which decisions will be made: *Unilaterally*—by one person, with no input? *Consultatively*—by one person, after soliciting input from a few people who will add value? *By consensus*—everyone has input and must live with the outcome? For each key decision, team members must agree on which of the three decision modes applies; otherwise, *confusion, hard feelings*, and *subterfuge* reign.

3. Use a common decision-making process. Decision making is a discipline that can be transferred. When distributing decision-making, ensure that those you involve all work off *the same script* and follow *the same systematic process*: first define the decision, then lay out the objectives, generate alternatives, and consider the benefits and risks of each. This will increase your confidence that every decision maker touches all the right bases before coming to a conclusion. It will also make it much easier to review others' decisions.

4. Streamline. Examine the *processes* for making decisions. What's the lag time between *asking teams to make decisions, having those decisions made and approved*, and *then implementing them*? Wherever there is a need for information sharing and handoffs, you'll find overlapping, competing systems, processes, procedures, layers, interface structures, coordination bodies, and decision approvals. Such complexity retards decision making and demotivates. *Distributing decisions* is one thing; *enabling implementation* is quite another.

5. Provide the right venues. Once decision-making protocol and process are in place, let teams attack real decisions that make a difference. Think of *intact teams* as platforms for decision making. *Are the teams aligned? Do team members know how to ask the right questions, process information, and test the integrity of their conclusions? Have you removed complexity, so there's a clear line of sight from start to end of the process?*

Once teams are aligned and members are equipped with the know-how, and once noise in the system has been removed, they relieve decision-making pressure up the line and create a powerhouse for making the decisions that will get you to *where you want to be.* LE

ACTION: Delegate some decision making.

Leadership Lessons

Learn from the best at West Point.

by Jim Collins

I ONCE HAD THE PRIVI-lege of visiting West Point for a gathering of leaders from business, social sectors, and the military. One of my hosts, a captain in the U.S. Army, had obtained an MBA after graduating from West Point. "What most surprised you about business school after your West Point experience?" I asked.

"The misperceptions my MBA classmates had about Army training and its relevance for leadership outside the military," he responded. He then described a debate that had erupted in one of his classes, and how one of his classmates had challenged, "In the Army, you don't really need to lead because soldiers are so well trained to follow orders."

If *leadership exists only if people follow when they have the freedom not to follow*, I thought perhaps his classmate had a point. After all, civilian life does not have the same clear chain of command as the US Army. When I pushed him on this point, the captain responded that, yes, the Army has a clear chain of command, but Army leaders face one giant reality that business leaders rarely face: "In business, if you make bad decisions, people lose money, and perhaps jobs," he said. "In the military, if you make bad decisions, nations can fall and people can die."

The phrase stuck in my mind: *people can die*. In the Army, it matters to your very existence if your leaders are competent. It matters if your leaders are trustworthy. It matters if your leaders care more about themselves than they do about their people or the mission. Your life may well depend on it. Combine this truth with the larger mission of protecting national interest and advancing the cause of freedom, and you get a context for leadership rarely faced in the normal course of business. *This gives us a glimpse into the lessons of leadership that can best be grasped in the face of high stakes and large consequences*. The Army has long embraced this concept with its own framework of leadership: *Be-Know-Do*.

Disciplined people who engage in disciplined thought and who take disciplined action. This framework captures much of what separates greatness from mediocrity.

The beauty of this framework lies in the dualities of leadership—knowing when to follow and when to not follow, the responsibility to question and the responsibility to execute, dedication to mission first and dedication to your comrades above all. These dualities highlight the point that *disciplined action* does not mean *rote action*.

Disciplined action means that you begin with a framework of core values (be), you meld those values with knowledge and insight (know), and finally you make situation-specific decisions to act (do). Leadership begins

not with what you *do*, but who you *are*.

Encoded into *the West Point approach* are two eternal truths. First, the medium- and long-term future cannot be predicted, and second, the best "strategy" in a volatile environment lies in having the right people who embody your organization's core values and who can adapt to unanticipated challenges. West Point exists not to train soldiers for a specific war but to develop leaders who can adapt to whatever war might be thrust on our nation—no matter what continent, no matter what conditions, no matter what form of warfare, no matter what enemy.

West Point answers the question, *Can leadership be learned?* with the idea that whether you like it or not, you *are* a leader. The real question is whether you will be an *effective* leader.

West Point also addresses a question that I've been wrestling with: Can Level 5 Leadership be developed? In our research into why some companies become great while others do not, my

colleagues and I observed that leadership capabilities follow a five-level hierarchy, with *Level 5* at the top.

At Level 1, you are a highly capable individual. At Level 2, you become a contributing team member. At Level 3, you become a competent manager. At Level 4, you become an effective leader. Stepping up to Level 5 requires a special blend of personal humility and professional will—the capacity to channel your personal ambitions and capabilities into a larger cause or mission.

Level 5 leaders differ from Level 4 in that they are ambitious first and foremost for the cause, the organization, the mission, the nation, the work—*not themselves*—and they have the will to do whatever it takes (within the bounds of the organization's core values) to make good on that ambition.

West Point is in the business of developing *Level 5* leaders who embrace the ideals of *service, dedication to cause, loyalty to comrades, sacrifice, courage*, and *honor*.

Toward the end of my visit to West Point, I conducted a small seminar for soon-to-graduate cadets. One senior cadet, who would graduate to dangerous duty in the Middle East, said to me that he felt more fortunate than his friends who had gone to places like Harvard and Stanford, explaining: "No matter how the rest of my life unfolds, I know that I have served a larger cause than myself." Earlier that day, a senior officer commented that this current generation of West Point graduates stands as one of the most inspired—and inspiring—since the class of 1945.

I came away from those sessions struck by the contrast between these young men and women and my graduating class from college in 1980. For two decades, we lived in a world of *artificial stability*, made possible by America's triumph in the Cold War, combined with an era of perverted prosperity culminating in the stock market bubble of the late 1990s. My generation had no larger cause, no overriding ethos of service, no great object that extracted our sacrifice. And we are poorer for it.

The West Point leaders who introduced me to these inspired cadets, and who write so passionately about the principles of courage, sacrifice and commitment, helped me to see that this younger generation of idealistic men and women deserve not to be just students of their elders but—equally—our teachers. **LE**

ACTION: Work for a cause larger than yourself.

Be, Know, Do

It's the Army's tested model.

by Donald J. Campbell and Gregory J. Dardis

THE U.S. ARMY PROVIDES LEADERSHIP doctrine for all its members in the form of a *unified leadership theory* familiar to all their officers and NCOs. The foundation of this leadership theory is the Army's *Be, Know, Do* (BKD) model of leader development (LD).

While the BKD model has many elements in common with other approaches to LD, the BKD model has some distinctive emphases that set it apart. You might adapt the model to your own particular circumstances.

In choosing the most appropriate procedures for developing leaders, you must first determine what *leadership* entails. For the U.S. Army, *leadership* is "*influencing people by—providing purpose direction and motivation—while operating to accomplish the mission and improving the organization.*" The broadness of this definition is noteworthy. It does not initially identify the primary sources of influence or distinguish between potentially different influence sources, and you could easily substitute *management* for *leadership* and still have a meaningful statement.

While such broadness downplays potential differences between leaders and managers in terms of motivation, operating perspectives, and emphasized processes, **there may be little practical value in separating leaders and managers when it comes to development**. For the Army, *leader development* becomes synonymous with *whole person development*. Because individuals influence others by their character, their competence, and their actions, effective *leader development* must focus on the type of person an individual is (*Be*), the kinds of competencies he has (*Know*), and the kinds of decisions he makes (*Do*). Becoming a *leader* involves developing *all aspects* of yourself.

The BKD model warrants attention, given its endorsement and large-scale use by an organization whose mission requires the ongoing creation of new leaders. Shaped and modified by actual experience in developing officers, various drafts and versions of the BKD model have influenced Army leadership doctrine for 50 years. Thus, the Army's long-term, continuing reliance on the model offers strong evidence of its robustness. Additionally, because it is the basis for *actual leadership training*, the model elaborates on LD in specific detail and provides focused points for individuals to consider when executing LD for themselves, their people, and organization. Such pragmatic, *how-to* detail is rare in LD models.

The values, attributes, skills, and actions that form the BKD model are necessarily interrelated, and the integration of these elements working together produces effective leadership.

In this respect, each side of the BKD triangle can properly be understood only in terms of the other two sides.

First, Be. Because the Army sees itself as a *values-based* organization, the BKD model places emphasis on *character-based leadership*.

In the BKD model, *character* is defined as *the inner strength that gives a person the courage to do what is right regardless of the circumstances or the consequences*. Character consists of values and attributes. Values are crucial to leader development because values *tell* the leader what he needs to be, presumably guiding daily actions. Also, *shared values can form the identity of the organization*, binding together all members. Thus, the organization is much greater than the simple sum of its parts. The Army uses **seven core values** to discern right from wrong in situations: *loyalty*, *duty*, *respect*, *selfless service*, *honor*, *integrity*, and *personal courage*. All members are expected to endorse these values.

In addition to core values, the *Be* component of the model focuses on several *attributes* for leaders. *Attributes* are defined as *fundamental qualities and characteristics of a person*. The model groups those attributes relevant to leadership into **three categories**: mental, physical, and emotional.

• *Mental.* The model focuses on seven mental attributes: *will*, *self-discipline*, *initiative*, *judgment*, *self-confidence*, *intelligence*, and *cultural awareness*. *Will* is the inner drive that compels you to keep going when you are exhausted. *Self-discipline* is the mastery of impulse that comes from the habit of doing the right thing regardless of consequences. *Initiative* is the ability to act when there are no clear instructions. *Judgment* is the ability to size up a situation, determine what is important, and decide what needs to be done. *Self-confidence* is your belief that you will act correctly and properly in *any situation*, including those that are stressful and ambiguous. *Intelligence* is the ability to think, learn, and reflect, and then to apply. *Cultural awareness* is sensitivity to backgrounds of individuals and to the customs and traditions of different countries.

• *Physical.* This includes three attributes: *health fitness*, *physical fitness*, and *professional bearing*. *Health fitness* encompasses the *personal actions* you can undertake to maintain health. *Physical fitness* is your ability to engage in various demanding physical activities for appropriate lengths of time, without undue stress or the need for extended recovery periods. *Professional bearing* refers to your ability to convey a professional demeanor, projected through your appearance and carriage.

• *Emotional.* Three attributes (*self-control*, *balance*, and *stability)* help the leader to influence others and make correct ethical choices. *Self-control* is the ability to display the emotion and passion required to tap into the emotions of others. *Balance* is the ability to display the appropriate emotion for the situation. *Stability* is the ability to remain levelheaded under pressure and fatigue, and to display the emotions the leader wants others to display.

Then know and do. The second and third components of the BKD model focus on *competence*: what a leader must *know* (both *know what* and *know how*). In the model, *competence* links *character* (knowing the right thing to do) and *action* (doing or influencing others to do the right thing).   LE

Lt. Col. Greg J. Dardis, Director of Studies in Leadership and Management, U.S. Military Academy.

ACTION: Adapt this model to your LD.

Go Military to Win

Take on three tough assignments.

by Cedric Leighton

WHEN WE THINK about *tough military assignments*, we gravitate toward images of commandos engaging in feats of incredible daring, risking life and limb, while flawlessly carrying out their assigned, but almost impossible, missions.

While such an image would be an apt description of operations like the raid that took out Usama bin Laden, business leaders should look at how the military handles *other assignments* that come their way. How they do this can help you develop your "inner commando" and achieve success against seemingly impossible odds.

Tough Assignment 1: The Novice. Five months after being made an Air Force intelligence officer, I was to take my place in a rotation as Officer-in-Charge (OIC) of our unit's 14-person operation in Saudi Arabia, about 8,045 miles from our home base. The position would make me the command's *senior person* there. I was 23 years old.

Thankfully, I had a week's overlap with the previous OIC, a prior-enlisted intelligence professional who was a great teacher and showed me how our operation worked. But before I knew it, my week-long apprenticeship was over, and my mentor had boarded the military transport flight for home.

Two weeks into my solo flight as OIC, I got an early morning call. My senior communications specialist told me that he had inadvertently sent out the preamble for the type of message that gets to the President's desk in 10 minutes. Such messages are reserved for big events like attacks, declarations of war, and assassinations (he had not taken our communications equipment off-line while he was practicing). I had no choice but to send him home. In selecting his replacement, I focused on competency. The smart, hard-working, innovative airman I picked also happened to be the most junior communicator on my team. My selection defied military convention, but he fixed the problems and taught me *how our communications system worked*, knowledge that would prove indispensable later.

Tough Assignment 2: Entering New Territory. Later I was assigned to a *special operations unit* and joined the *Special Actions Branch*, which handled sensitive intelligence issues. The first message I drafted went from our four-star general to General Colin Powell, then Chairman of the Joint Chiefs of Staff. I briefed our four-star, Army General Carl Stiner, on the contents of the message. It was a plea for General Powell to tell a major intelligence agency to stop practices that endangered the security of one of our special mission units. I was intimidated, but pressed ahead. Our Director of Operations backed up all my key points, and General Stiner agreed with my reasoning. He then made one small change to the message and directed me to send it. As a result, our assets were protected.

I gained *priceless insights* and became a *trusted expert* whose advice was sought for sensitive intelligence operations.

Tough Assignment 3: Never say it can't be done. I could see that air operations inefficiently used available intelligence resources. We were blindly following procedures. I knew we had to fix this if the US Air Force wanted to enhance its combat effectiveness.

My chance came when I became the Director of Operations for the 70th Intelligence Wing which controlled the Air Force's piece of the nation's signals intelligence effort. It was positioned to bridge the gap between *the intelligence we were allowed to provide* and *the intelligence we should provide* to our combat forces. Wing Commander, Colonel Harold Beatty, had a vision of how to do that. He called the effort Air Force National Tactical Integration (AF-NTI). The idea was to take relevant perishable national intelligence and rapidly push it to the aircrews. They would get it *automatically*—tailored to their needs based on feedback received from them.

My bosses thought I might be a good fit as the Wing's new Director of Operations. When Colonel Beaty interviewed me, I realized that we shared the same vision. That was the easy part. The hard part was overturning 50 years of *"we've always done it this way"* in two bureaucracies (US Air Force and the National Security Agency).

We worked our way around this dilemma by going to the top decision-makers. Many of these people were visionaries as well, who saw the utility of providing tailored signals intelligence data to aircrews. Not only would it protect them, it might also provide information that could be acted on operationally. In turn, our concept envisioned that NSA would know what was being planned in the air campaign and could tailor its intelligence efforts accordingly. At times, mid-level managers sought to stifle the initiative. We either went around them or convinced them to support us.

The events of 9/11 brought about the final approval of our concept. That night we began to provide our aircrews with key intelligence data they had never seen before. Later, we did the same for aircrews flying over Afghanistan. In Operation Iraqi Freedom, we enhanced our efforts by having a forward-based element I was honored to lead. We helped destroy 95 percent of Saddam Hussein's air defenses—an operational success few could match at that time.

Awaken Your Inner Commando

Tough jobs test your job knowledge, people skills, and ability to get things done. Once you accept a tough assignment, your only option is to follow the *inner commando's rules for success:* 1) Be unconventional in your thinking about the problem; 2) Never panic; just fix the problem as best you can and move on; 3) Listen to your people; 4) Pick the best people—those who know their jobs and don't hold anything back; 5) Give your people part ownership of the assignment; 6) Become the trusted expert, so you have the credibility to effect change; and 7) Build internal and external coalitions of like-minded visionaries to enable success.

By following these rules, you'll be on your way to awakening your inner commando and achieving success. **LE**

Cedric Leighton is the Founder of Cedric Leighton Associates, a strategic risk and management consultancy. He is a highly decorated retired Air Force Colonel. Email cedricleighton@me.com.

ACTION: Follow the Inner Commando rules.

Values Compass

Align around True North values.

by Alan Lewis

NEW LEADERSHIP IDEAS come and go, often in response to changing markets and financial conditions. Much emphasis today is on *globalization*, *nimbleness*, *resilience*, *crisis response*, *change management*, and *sustainability*. These are worthy topics, but you can't address them until you get your company's values straight and tie them directly to your leadership strategy.

The recession has highlighted the failure to embrace basic leadership and business practices. In this decade, leaders need to get back to the core of good business—values and culture.

Values are the foundation on which companies are built. They shape every conversation you have, every deal you make, and every change you undertake. Name and nurture them, or your company will be left without a compass when times get tough.

What's Going On?

Every day in the news, we see examples of companies and leaders doing it right—or doing it wrong and paying the price. Herb Kelleher, CEO, has been constantly lauded for fostering a sound culture at Southwest Airlines—enabling the company to remain a leader in the airline industry.

Another airline, JetBlue, is a values-based organization that's built on safety, caring, integrity, fun and passion—core values that translate into every aspect of the business—from the practices, policies and goals to its brand, products and service.

For my company, Grand Circle, our vision has always been to *become the best travel company for older Americans who want to connect with people, places and cultures worldwide and in ways that will help change their lives*. That's a lofty vision, but that's all part of the Grand Circle culture—daring to undertake seemingly impossible things and having confidence to take risks.

Undermining the *value* of values can be a fatal mistake to any business and too many leaders learn this the hard way. In some cases, a culture becomes so muddled that the company morphs into an unrecognizable entity. Enron is a prime example of the dire consequences of little to no emphasis on corporate culture and values.

In our fast-paced culture, values must be the bedrock of good business. Smart leaders realize that compelling values back business success.

How Can You Get There?

Realign around a set of compelling values that will propel you through good times and bad. *Don't try to impose culture from the top down*, drafting empty words and executing them in curlicue script. To be effective, leaders must define their vision, mission and values in an inspiring, directional and specific way. Shared values either hold a group together or tear them apart, and the expectations that govern its behavior.

Here are the core values that have guided our company for 25 years:

• *Open and courageous communication* builds knowledge, breaks down barriers, improves products and keeps leadership on its toes.

• *Risk-taking* builds personal courage and corporate resilience, captures opportunity and helps companies adapt to changing circumstances.

• *Speed* keeps leaders alert and engaged, helping them to essentially stay ahead of the competition.

• *Quality* drives repeat business, invites measurement and evidence-based solutions, powers brands and allows companies to constantly raise the bar.

• *Teamwork* shares knowledge and expertise, lends support and encouragement, spreads the burden and multiplies success.

• *Thriving* in change keeps businesses nimble and optimistic, promotes reasoned responses and maximizes effectiveness in uncertain environments.

For each company the values will be different. They depend on your industry or sector, your vision and mission and the values important to you. They might be *respect*, *humor*, *daring* or *flexibility*. Leadership ensures that the culture is deliberate and the values explicit, so that everyone is on the same page.

Values Are Always There

I've heard many leaders say, *We don't have any official values*, or *We don't bother with culture*. These responses surprise me—as if *values* and *culture* were *optional*. If your company's values are not explicit, the consequences can be dire. Worst-case scenario, the strongest personality will take over the company, or the unspoken values will start running the show. Without a clear set of values, the potential for harm is high—especially in organizations strongly driven by sales targets, quotas, bonuses, where the unspoken values can get nasty (secrecy, sabotage, greed or dog-eat-dog competition). Isn't it better to be proactive, to decide the values that you want to guide your work before some crisis ignites a culture war?

Share Values, Share Commitment, Share Success. Corporate values can also lead to financial gains. Companies that value their employees and channel their creativity toward common goals stay ahead of competitors. Facebook, Google and Apple each has a unique culture and is backed by dedicated employees. Each has grown and thrived despite the strains of the economy. By collectively agreeing upon goals and getting everyone involved, you'll all be moving in the same direction.

If values are not driving your leadership, what is? Last quarter's profit-and-loss statement? Your competitor's latest product launch? The tweets or status updates of a disgruntled shareholder on Twitter? How will you decide which of *those* rabbits to chase? Values are not idle words. When executed properly, *values are a living part of how you conduct business—they govern how you behave.* You can use them to size up job candidates, plan strategy, evaluate performance, direct growth, measure progress, and recognize people.

Reactive leadership is a dangerous game. Aligning your leadership strategy to a set of values that will advance your enterprise in good times and bad. Build a culture that enables you to *adapt and thrive* in change to reap the rewards of *visionary leadership*. **LE**

Alan Lewis is owner/chairman of Grand Circle Corporation, the largest U.S. direct market tour operator of international vacations for older Americans and co-author of Driving With No Brakes.

ACTION: Align your life with true north values.

Leader Development

Identify and fill any skill gaps.

by John Wills

THE CHALLENGE FOR learning and development professionals is not only recognizing when managers are ready for the next position, but also helping them identify and fill their skills gaps.

Executive development is about helping people succeed by providing them with the right skills at the right time. No matter how good managers are in their area of technical expertise, they need new skills and knowledge as they transition to senior leader. As learning and development professionals, the challenge is to identify employees' strengths and develop their talent areas, aligning this with business goals and objectives.

There are many approaches to recognizing and developing leadership talent. These include assessment centers, competency and behavioral frameworks, personality assessments and 360-degree feedback. Often, assessment tools may be combined to help better identify talent. The best method is ultimately determined by the type of skills being evaluated, cost, and time available.

These approaches are often combined with executive coaching and detailed personal development plans that include intensive leadership and general management training. Executive development works best when it's aligned with the long-term goals of the business, is fully supported by senior management, and is linked with the individual's development and career goals.

Most first-time managers struggle to be effective; moreover, even experienced managers must be re-skilled at various points in their careers as they transition to more senior roles.
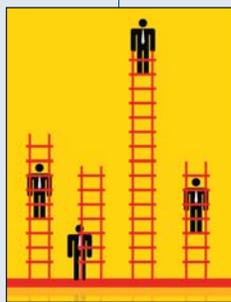
Learning and development specialists have experience with helping managers transition at key points in their careers, but few can pinpoint the strong and weak areas during this process. This year, London Business School released data focused on exec-

utive development that examined more than 2,000 participants. The data came from 360-degree surveys completed by managers, colleagues and direct reports rating the leadership and management capability of executives attending the *Accelerated Development Program* at London Business School.

The surveys show that managers often excel in six areas: 1) demonstrating technical competency; 2) meeting deadlines; 3) analyzing problems; 4) demonstrating self-confidence; 5) gathering information; 6) and encouraging new ideas and innovation.

Managers also lack six qualities that are important in a senior role: 1) monitors and reviews people's work regularly; 2) explains to team members the goals of the business and basis for success; 3) deals effectively with poor performers; 4) thinks strategically, identifies alternatives to ensure flexibility; 5) uses various methods—including influence, persuasion and networks—to gain support for ideas or strategies; and 6) understands the opinions and feelings of others.

The way to impart to managers the skills needed for more senior roles is to *link executive development to talent management* by implementing learning solutions that help mangers bridge skill gaps and transition into new roles. In implementing learning solutions, break this process down into two steps.

First, see providers as partners in learning and talent management. Understand their approach to learning design. Align the learning solution with measurable leadership behaviors and skills development. *Gain the support of senior management* in the solution.

Second, recognize and aim for continuous learning versus event-based learning. This is achievable most often when managers combine their training with on-the-job experience through access to more demanding projects and roles, and management support through mentoring and coaching.

Since learning and development professionals help prepare future leaders, they must communicate *the behaviors necessary to succeed* and help up-and-coming leaders identify and fill gaps in their knowledge and skill. This can be done by embedding learning solutions that help these managers continuously grow and reach their full potential. **LE**

John Wills is the director of London Business School's Accelerated Development Program. Visit www.london.edu.

ACTION: Help your managers and leaders succeed.

Great Employees

Motivate, develop, attract.

by Will Moore

MOST LEADERS AGREE that *attracting, developing*, and *motivating* employees is their biggest challenge, but struggle to find, hire and keep all the great employees they need.

To attract great employees, leaders first need to understand: 1) we all do what makes sense to us: we do what we do because of what happens to us when we do it; and 2) we are motivated by feelings, purpose, skill mastery, autonomy, and recognition. If leaders were better at *motivating* their people and creating great jobs, *developing* and *attracting* great employees would be easy. *No great jobs, no great employees*.

Focus on Five Fundamentals

Your company will excel if *all* your employees are engaged in their jobs. Great employees attract other great employees. There are millions of *great employees* ready and anxious to work in your company if you *provide opportunities that will allow them to excel*. And you can—if you have the *right fundamentals*.

To create a high-performance culture that motivates, develops, and attracts the best employees, focus on *five fundamentals*: 1) a *clear picture* of where the company is going, how and why, communicated and understood by all employees; 2) a *structure* that most effectively leverages the work of employees to attain this picture; 3) *employees* with the natural skills, aptitudes and interests aligned with the function and role that needs to be performed in each position; 4) *systems*, practices, processes that provide continuous and specific feedback to all employees linking their results with the actions needed to achieve their personal goals and the needs of the company; and 5) *managers* who are effective at hiring, guiding and supporting the right employees in achieving their personal goals and the company's needs.

How well does your company motivate, develop and attract the best and most high performance employees? Ask your employees. A short, non-invasive survey is the best indicator of how motivated your employees are, what they know and feel about the company,

their job, their supervisor, and their future. An individual strengths/aptitude evaluation will tell you what role each employee is best suited for.

How does this score compare with your current rate of *employee turnover*, *customer satisfaction*, *innovation*, *productivity*, *growth*, *profitability* and other performance metrics? Usually this score will be below optimal, and scores in certain areas will correspond with the performance in that area. Strengths evaluations may also reveal that employees are in positions that do not or not optimally match what they would do best.

The results of this survey also tell you where the company stands on the five fundamentals, what has to change, where to start, and what your ROI will be from the changes you make.

You might think the vision and purpose is clear—but your employees *don't know* where the company is going or how they fit in. You might think that the way the company sells, produces, and manages, is the best way to do it, but your employees know that *there are much better ways* to do what you do. You may have hired people whose backgrounds and experiences perfectly match their jobs, but neither their previous jobs nor this one matches their *best natural skills, aptitudes and interests.* Employees may know clearly what is expected of them in their jobs, but meeting those expectations *does nothing* to advance their goals and interests. You may have cutting-edge systems and practices, but your employees *don't know* how their efforts contribute to their success or company performance.

When you run a company based on how *employees know* it should operate, turnover drops, customer satisfaction and loyalty jump, and productivity increases—boosting *revenue* and *profits.*

Where Do You Start?

Determine which of the *five fundamentals* are in place. Find out how motivated your employees are now. And, *adjust the application* to fine-tune performance.

You will enjoy six results: 1) The best employees will seek you out; 2) turnover will drop; 3) innovation and problem solving will increase; 4) sales will increase; and 5) efficiency will increase; and 6) profitability will climb.

When you motivate high-performance individuals, they in turn will build a motivated, high performance company—and then attracting the best employees won't be a problem.   LE

Will Moore is principal of Moore Performance Group. Visit www.mooreperformancegroup.com.

ACTION: Attract, develop and motivate.

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8 Be-Attitudes
Hold people accountable.

by Bob Whipple

A FREQUENT REFRAIN OF leaders is "We need to hold people accountable." *Accountability seems to be the mantra of the day*, and yet one aspect of accountability feels like a cop-out.

The key to leadership is to create a culture wherein people do the best they can because they want to do it. When employees know it is clearly in their best interest to *give their maximum discretionary effort*, managers don't have to crack the whip. Imagine working in a culture where people do the right things not because they are expected, but because it is in their best interest. There, *holding people accountable* would nearly always be a *positive* occurrence. How refreshing! It is the actions, attitudes, and intentions of leaders that make the environment of either reinforcement or punishment the habitual medication for individual performance issues.

Let's examine 8 attitudes or behaviors of leaders that foster a culture where *holding people accountable* incites a *feeling of celebration.*

1. Be clear about your expectations. If you tell your assistant, "You did not file the documents correctly by client; you messed up." Then, the assistant says, "You never told me to file them by client, so I used my initiative and filed them by date, as I was taught to do." You can't hold people accountable when the instructions are vague.

2. Be sure of your facts. Irrevocable damage is done when you act without the facts (*either you get the facts, or the facts get you*). If, for example, you accuse someone of sloppy work, make sure the work was done by that person.

3. Be timely. If there is an issue with performance versus stated expectations, bring the matter up immediately. If you wait for two days before trying to bring up the issue, it just tends to cloud and confuse the person who did not meet expectations. If a boss says, "You did not answer the phone in the proper way last week," the employee can't even remember the incident.

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4. Be kind. Always apply the *Golden Rule*. If you had a lapse in performance, justified or not, how would you want to get the information? Some people are more defensive than others, so if you like your feedback "straight from the shoulder," tone it down when dealing with a sensitive individual.

5. Be consistent. If you are a stickler for certain behaviors, apply the discipline consistently. Coming down hard on Mike for being late for work can seem unfair if you habitually let Mary waltz in 45 minutes late. Avoid playing favorites. You may like some people more than others, but when holding people accountable, you must apply the same standards across the board.

6. Be discrete. Embarrassing a person in public will create a black mark. If there is an issue of performance, share the matter with the individual privately and in a way that upholds the dignity of the person. This issue also refers to the *Golden Rule*.

7. Be gracious. Forgiving a person who has failed to deliver on expectations is sometimes a way to set up better performance in the future. Get help for individuals who need training or behavior modification. Be mindful of your personal contribution to the problem (perhaps you didn't deal with a problem when it was small). If the infraction is a habitual problem or one born out of laziness, greed, or revenge, stronger measures are needed. People can't be allowed to continually fail to meet expectations. The corrective measures will be based on the severity and longevity of the problem. Since gracious behavior can't be faked, be calm and deal with your own emotions before speaking to the employee.

8. Be balanced. All forms of *accountability* need not be *negative*. People *want* to be held accountable for all the wonderful things they do. *Accountability* is both a positive and a corrective concept. When we hear a leader say, "We need to hold our people accountable," it means *negative feedback* in most cases. This is an easy thing to change by simply modifying our pattern of feedback.

Hold people accountable—in a *consistent, kind,* and *thoughtful* way. Incorporate the 8 *Be-Attitudes*, and you will see *major improvement* in your culture.**LE**

Bob Whipple is CEO of Leadergrow, and author of The Trust Factor *and* Leading with Trust is Like Sailing Downwind. *Call 585-392-7763, visit leadergrow.com or thetrustambassador.com.*

ACTION: Foster these 8 attitudes and behaviors.

Gravity of Vision

It brings unity or wholeness.

by Gregory Gull

WHAT KEEPS THINGS together in our universe? What brings chaos to order? Gravity! Without it, every person and thing would be cast into space, floating aimlessly. This *invisible force of attraction* provides order to the movement of planets in our universe—making it one (whole) system.

In like fashion, organizations need a *force of attraction* that can unify people's energy, thus enabling it to function as one system. The canalizing of human energy requires a cohesive system of beliefs and values that deeply connect people to each other and the work of the organization. This can be achieved through a vision that accesses that part of each of us that is the same, thus enabling us to relate core-to-core irrespective of our diversity. Vision can act as an attractor, guiding people toward developing helpful relationships with others and meaningful relationships with their work. Since an organization is a system of relationships, *vision can be the way to wholeness*.

Tunnel Vision

An organization that is not functioning as one—not a unified whole—is an organization whose energy is thinly scattered and whose demise is imminent. It is visionless. Sadly, many believe that it is not what the vision is, but what the vision does that makes it so important. For many having a goal is all that matters, since they think people are materially goal-directed. Most *visions* are in effect *mission* or *goal statements.* If your *vision* only speaks of *goals* and *things*—the *objects* the organization makes—it offers no guidance toward developing and maintaining meaningful relationships. Sustaining wholeness is not among its properties.

When results-only becomes the thing, meaning is lost as everything becomes abstract and objectified. *Results,* now, are all that matters. We define problems by results, we define our job by results, and we make individuals accountable for results. Hence, we harm others in the pursuit of results,

we cheat and lie to show results, and we even define our self by the results we get. *What a results-only orientation produces is not just results—all actions produce results—but uncertainty and fear* (counterproductive to desired results).

When results are *favorable,* we believe we are in control of things and expect more of the same by doing more of the same. When results are *unfavorable,* we simply exhort others to *get better results*. We set higher goals and raise standards thinking that this will lead to better results. With an intense focus on *results,* the system of *causes* (and impediments) are ignored. Using *results* to get *better results* is not reflective of sound logic.

Meaning Motivates

As concern for results dominate relationships, all interaction among people become mere *transaction*—an abstract material exchange. Keeping people focused on results guides the practice of management that turns *work* into an abstract meaningless activity. Inevitably people become disconnected from the work and the workplace becomes quite unfriendly to the creative spirit, as meaning which is the seed of motivation is lost. *Motivating another* becomes synonymous with causing the other to move—the value of work is external, not internal.

When the structure is designed to *exercise control* with no attention to *the nature of the work* and *the needed strategy supporting capability*, it causes fragmentation and unnecessary costs. Since these costs are woven into the design, and not captured as such on anyone's spreadsheet, how would those fixed on controlling for results know? An order providing force taken to the extreme would be all consuming and confining, as what would be found in a *black hole*.

Leaders create black-hole conditions when results are all that matters, as *ends supplant meaning* and *order* means *control.* Effactually the structure is a means to bring about order by dividing the labor (or work) into more manageable clusters or compartments. The

structure becomes the instrument for controlling the skills and efforts of people toward the effective and efficient pursuit of *the preeminent result*—profit.

With many enterprises seeking the same purpose—profit maximization—they are similarly organized and managed. Age-old issues like *who should be in-charge of what* and *how many one can have direct authority over* are operative. Continuing as if the business of business is profit is limited in perspective and limiting to *capability* and *performance.*

What's missing is an understanding that results are the effects of a process/system—the system of causes. Not understanding the work as a system along with the desire to control the work, will lead to dis-integration and a growing inability to learn and to develop knowledge. Hence without a method for learning—about the system itself and its current capability—a hope for better results is merely wishful thinking.

Since most properties of the organization are emergent—such as the performance of the enterprise—designing and structuring an enterprise in this way inhibits the light of creativity from emerging and likely leads to poor performance. *The corporate graveyard is filled with once great organizations that ran out of ideas long before they ran out of money.*

Gravity of Insight

Given the power of vision, *what the vision is becomes very important.* For the leaders to sustain *viability*—which requires *creative emergence*—they must act from their personhood in order to lead with vision. Vision runs far deeper than the words used to communicate it: *composing a nice statement only requires skillful writing; discovering meaning through vision requires insight.*

Since insight emerges from within, it requires listening to and being in touch with *the unchanging aspect of our being*. To lead with vision requires that the leader (first) looks deeply inward. *Having vision* is more than having *nice words in a statement*; it is having the inner knowledge that there is more to us than our functional fit or the material outcomes that our activities provide.

Seen in this light, vision does not require foresight since it is not a future end or goal. Rather it is a beacon that points the way to a mode of being-in-the-world that brings meaning and joy, not at some future time but now in the present moment. Vision is a description
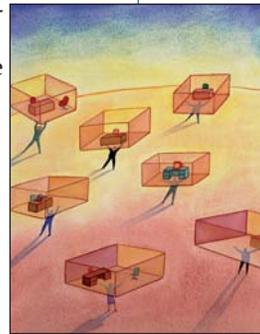
of the way life should be experienced now; a deeply thoughtful characterization of the ideals, values and nature of human experiences that resonate within the depths of people. As such it is a heartfelt description of a *reality*—which manifests as *culture*—that people deeply care about being a part of and collaboratively contribute to realizing.

With vision as the guide, people experience an inner sense of significance and meaning through their work, and in these experiences, they develop and express their unique potential. When people become engaged in work, then work becomes more than a collection of activities they do for a paycheck—it becomes meaningful to their life. Work then is not just a *job*—it is a *joy*, and the relationship you have with your work becomes a means for connecting you to yourself and others to *engender creativity*.

Do you think that the artist obsesses about the profit she will earn from the sale of what she is creating at the very time she is creating? By definition, *a work of art* is not something intended to serve mere utilitarian purposes. *Joy comes from the act of creating*—the intimacy we have with the work itself—not from the economic transaction.

Working within such a context, people become self-interested, shortsighted and ultimately destructive. All that is important, all that could possibly be experienced, is the pleasure of material gain. Hence, many must be compensated not for the work but more for what the work requires them to give up—*I won't do that for anything less than $$$!* It's a costly way to manage a business!

An organization without an enlivening vision expunges meaning from life. And as meaning fades so does *intrinsic motivation*; hence, most leaders often ask, *How do I motivate others?* The answer: *Give them motivating work to do!* Vision brings *an inner sense of order* (and meaning) to human aspects of organization.

Leadership is a human experience that emerges from two or more people in human relationship—not *economic relationship*, not *quid pro quo* relationship, not *material transaction*. Thus leadership manifests as productive relationships requiring the interaction among people —of human being-to-human being— and of people to their work. *Vision is the attractor that canalizes energy* bringing *order* and *meaning* to people in their work.

Take extra care to connect when it comes to discovering a shared vision.LE

Gregory Gull, Ph.D., is Core faculty, Leadership Ph.D. Program, Capella University. Visit www.forprogressnotgrowth.com.

ACTION: Connect people through a shared vision.
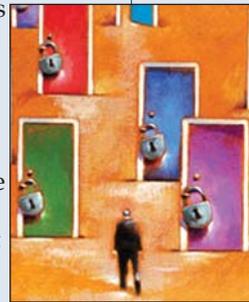
Smart Trust

Take five wise actions.

by Stephen M.R. Covey and Greg Link

HOW DO WE KNOW WHO TO TRUST? How do we operate with high trust in a low-trust world without getting burned? And how do we extend trust wisely to people when not everyone can be trusted? The trust being exercised by the best companies is different in kind. It's not blind trust; it's not distrust. It's *Smart Trust*—judgment that enables us to operate with high trust in a low-trust world. It minimizes risk and maximizes possibilities. It optimizes two key factors:

• **A propensity to trust.** This propensity is primarily a matter of the heart. It is the inclination, bias, or desire to trust people. It may be affected one way or the other by personal experience or conditioning. Those who have a *low propensity* to trust have usually had bad experiences in extending trust. The propensity to trust almost always provides the best starting point—in other words, *we lead out with trust first.* We approach situations with the belief that *most people are basically good*. This belief opens a world of possibilities. However, starting with *high propensity* doesn't necessarily mean that we ultimately decide to extend trust to someone; in fact, we may not—especially after we've done the analysis. But at least we are open to the possibilities.

• **Analysis.** *Analysis is primarily a matter of the mind*. It refers to our ability to assess, evaluate and consider implications and consequences, including risk. Analysis, too, must be tempered. If it's not—if we start with a low propensity to trust—the analysis will color our judgment. *We'll find many reasons to not trust* our boss, reports, partners, customer, suppliers, colleagues, or family.

Smart Trust analysis involves assessment of three vital variables:

• *Opportunity.* Clearly identifying what you're trusting someone with.

• *Risk.* To trust is to take a risk; to not trust is also to take a risk. The objective of *Smart Trust* is to manage risk wisely—to extend trust in a way that will maximize prosperity, energy, and joy over time. To evaluate the degree of risk involved, ask: What are the possible outcomes? What is the likelihood of the outcomes? What is the importance and visibility of the outcomes? Extending trust is an act of faith.

• *Credibility.* Exercise due diligence in assessing the *credibility* and *competence* of the people involved. If the credibility is low, and the risk is high, you may not extend trust. Or you may choose to extend trust cautiously, believing that the act of extending trust will help the person increase in trustworthiness.

Be a Smart Trust Leader

Another key dimension of *Smart Trust* is *being credible* or worthy of trust so that others will feel confident in extending trust to you.

While you may not decide to extend trust to someone based on your propensity to trust and your analysis of opportunity, risk and credibility, *there is never a situation, in which Smart Trust involves not being trustworthy yourself.* Your credibility is always a constant.

Smart Trust leaders take five actions:

1: Choose to believe in trust—they create the *paradigm* out of which all trust-building behaviors flow.

2: Start with Self—they focus first on developing the *character* and *competence* that enables them to trust themselves and give others a person—or a team, organization—they can trust.

3: Declare their intent, and assume positive intent in others—they signal goals and intended actions, both *what* and *why*, clearly in advance, and generally assume that others also have good intent and want to be worthy of trust.

4: Do what they say they're going to do—they *follow through* and act to carry out their declared intent; walk their talk.

5: Lead out in extending trust to others—they are the first to extend trust and initiate the upward virtuous cycle that leads to prosperity, energy and joy.

We see more people and organizations engaging in these five actions common to *Smart Trust*—thereby avoiding their opposites and counterfeits—and getting remarkable results.LE

Stephen M.R. Covey and Greg Link are partners in Covey-Link and co-authors of Smart Trust. *Visit www.coveylink.com.*

ACTION: Take these five actions to smart trust.

Talent Management

Build on four key components.

by Kyle Couch

ARE YOUR EMPLOYEES the best? If you think so, how do you know? Since the team with the best players is in a better position to *win*, ask: *Are you playing to play*, or *playing to win*?

Seek clarity on the level of talent required to succeed. Having a rigorous, cyclical, ongoing process around *Talent Management* (TM) will be a key differentiator between success and failure. **To be effective, your TM program must be built on four key components:**

1. Differentiation. One weak component of many TM programs is the lack of differentiation between employees. What ex-GE CEO Jack Welch calls "*superficial congeniality*" is a huge concern. Managers and leaders must differentiate their employees' value—how their employees stack up—and direct resources to individuals depending on whether they are A, B, C or D players. *A-Players* are your most valuable employees. They should be treated accordingly, by offering the highest development and feedback. *B-Players* are your technical experts. Their development should focus on interpersonal skills; encourage them to work on group assignments. *C-Players* are strong team players, however, these people must be given hard goals, and monitored carefully. With *D-Players*, there should be a clear path to separation.

Most recruiting and development programs focus on *intelligence* as a predictor of future success. Many smart people think along linear paths, and use proven models to come to their conclusions. As a result, organizations are full of linear thinkers running tired out-dated programs. Find people who challenge the status quo, and think in new ways. Hire clever people, and don't make them *paper pushers, desk jockeys, and automatons* who work at the level of the lowest common denominator. Having a workforce of replaceable drones is cost-effective, but it won't take you to new heights. Doing good work satisfies people, but *doing great work causes customers to flock to your door*. Free your employees to see what they can do better than anyone else.

2. Assessment and ranking. Use rigorous assessments to help you assign employees to the appropriate population within the Talent Matrix. While there are several profiles for each position, most organizations choose to use one or more of the following tools.

• *Behavioral competencies.* Develop a custom set of behavioral competencies and make them the backbone of each element of TM—from recruiting, through targeted training and development. By using behavioral competencies, you can compare the results from these various elements to ensure consistency across programs.

• *Early talent identification (ETI).* Reach deep into the employee population to find future leaders. ETI assessments base their results on *predictive indicators of future success*. By using an ETI assessment, your talent pipeline can be filled with people who would otherwise not be identified for succession until later in careers, losing valuable development time. ETI helps you identify your *future leaders* at all levels.

• *360-degree feedback.* Effective use of feedback from managers, peers, and direct reports is a trusted means of assessing employees and giving you a clear picture of their fit. By rating your employees against your *behavioral competencies*, and their respective performance dimensions, you can target development opportunities to each individual. 360-degree feedback provides a *holistic view* of *each employee*.

These tools can be customized and the scores aggregated across large populations of employees, to determine organizational *strengths*, *weaknesses*, and *gaps*.

Organizations profile prospective leaders for several characteristics and competencies. Rarely, do they look for *spark*—that natural born *catalyst*—someone who can initiate great growth through people, who can see through the bureaucracy and decide what must be done now. We need catalysts now. With most employees paralyzed, or demoralized, we must tap into a catalyst's abilities to kick-start recovery.

3. Performance Management and Performance Improvement. While most firms have a *Talent Audit* (assigning people to boxes in the Talent Matrix), PM and PI are *ongoing informal processes*.

• *Performance Management.* PM programs, once completed annually, are now being conducting *quarterly* to track progress and achieve milestones. Employees now have input into setting objectives and development priorities, as well as the final scoring. This ensures buy-in from *managers* and *employees*. Effective PM enables you to monitor individuals in setting objectives; deliver suitable training and development opportunities; and provide documented feedback and forced ranking.

• *Performance Improvement.* PI identifies organization-wide gaps that need to be addressed soon, and rolls them down into individual performance management portfolios. PM and PI, working together, ensure *the organization is monitoring its performance and adapting to the environment*. Effective PI allows you to identify qualities required of leaders; develop high-potential, fast-tracking programs; and ensure proper personnel in succession plan streams.

4. Transparency. Without transparency, your TM program is set up to fail. A lack of transparency leads to *favoritism*. No matter how quantifiable your metrics or how rigorous your process, you must be candid and transparent about the *purpose* and *outcomes* of the process; otherwise, your employees will perceive that your TM program is fraudulent, and based on qualitative measures. Be prepared to defend challenges with numbers, and reassure your employees their efforts will be measured based on hard facts. You owe it to your employees to vigorously and factually present your case, and have the appropriate follow up in place to deal with *each employee* on a case-by-case basis.

TM can create the winning conditions that every other aspect of the business can use to move forward. See *strategy* as a *holistic process* as well as a team pursuit, wherein different parts of the process are managed differently, and things get done.

When you can excel in these four areas, your leadership pipeline and talent bench strength will be prepared for what the future holds. **LE**

Kyle Couch is the Vice President of Talent & Organizational Development at The Beacon Group, a Toronto-based firm specializing in Organizational Transformation and Effectiveness programs. Visit www.thebeacongroup.ca or email kylec@thebeacongroup.ca.

ACTION: Build TM on these four components.

Learn to Learn

Be a learning partner.

by Daniel R. Tobin

EMPLOYEES LOOK TO managers and leaders for guidance. While employees are ultimately responsible for their own learning, you, the manager or leader, are the *key learning partner*.

Let's look at a common situation: An employee has a situation or problem he is not certain how to handle, or she may have found that the methods she has been using to do her work aren't working in a situation, or he may have encountered a problem that wasn't covered in training. She comes to you for help. How do you respond?

In most cases, the manager/leader will respond in one of five ways: 1) "Don't bother me. Figure it out for yourself." 2) "Leave it with me and I'll take care of it." 3) "Here's the solution." 4) "Let me show you how to do that." Or 5) "What do you think you should do?" Let's look at each potential response, what it means for you, and what it means for your employee.

"Don't bother be. Figure it out for yourself." You may be in the middle of an important project yourself or working on a tight deadline. Or you may feel that this employee is bothersome —you gave him the answer to the problem some time ago, but he is so insecure that he keeps coming back to you every time that problem arises. You've had enough and don't want to invest any more of your precious time in this particular employee.

Have you considered whether this employee is in the right job? If the employee is at your door several times a day, perhaps she hasn't been trained well enough, or you may find it beneficial to assign the employee to a different job, or perhaps it is time to let the employee go. But to just turn the employee away isn't going to be helpful to you or to the employee in the long run. And if you are frequently seen answering employee questions in this manner, other members of your staff may be hesitant to ask questions when you really could help.

"Leave it with me and I'll take care of it." You may feel that it will take less time to do the job yourself than to explain to your employee how to do it. After all, you were probably promoted to your current level because you were so good at doing the work of the group. But if you never teach your employees to handle the problem themselves, they will need to keep coming to you whenever a similar problem arises. While it may be easier and faster to do it yourself, you owe it to your employees to help them learn how to handle problems on their own.

Another reason for this response is that you want to be seen as the hero (*Here I come to save the day!*). You liked doing the employee's work before you got promoted and this situation gives an opportunity to get back to doing what you really enjoyed. But, in most cases, your role as a manager is not to do the employees' work for them, but

to *enable them to do the work themselves*.

If you are too busy at the moment to teach or coach the employee how to solve the problem, you should follow up with the employee as soon as you have time, explain why you took the problem on yourself, and then explain how you solved it and teach the employee how to solve similar problems himself in the future.

"Here's the solution." This response solves the problem. But it's more helpful to the employee when you explain how you analyze problems, discuss how to evaluate potential solutions, and then how to select the best alternative. You thus develop the employee's skills, making him more self-reliant and improving the quality of his work.

If you lack time at the moment to teach the employee, or if the situation is an emergency which requires an immediate response, plan to make time later to teach the employee how to analyze and solve similar problems.

"Let me show you how to do that." As your employees' primary learning partner, this is your opportunity to teach employees to analyze and solve their own problems. By teaching people from your own store of knowledge and skills, you are developing them for the future. While some managers and leaders tend to hoard their knowledge and skills ("If I can't be replaced, I can't be fired"), hoarding isn't going to improve your group's or your company's performance and, in fact, may impede your own career progression— if you can't be replaced, you can't be promoted. You should view every employee question as a "teachable moment" or as a "coachable moment."

What Do You Think You Should Do? By answering the employee's question with this question, you coach the employee to find his own solution to the problem. This can be helpful when:
• You feel that the employee knows how to solve the problem, but lacks the self-confidence to apply the solution without getting your permission.
• You are uncertain of the answer yourself and want to brainstorm possible solutions with the employee.

When you coach an employee in this way, you help to build self-reliance in the employee, and open yourself to learning from the employee. Too often, managers and leaders feel that *they need to have all the answers* and that to admit that you don't know the answer would be a sign of weakness. In fact, managers and leaders who open themselves to learning from their employees open up a myriad of learning opportunities for all involved. Of course, there will be times when you need to impose a solution. If so, tell the employee that he needs to solve the problem in a specific way and explain why.

When you help your employees learn, you create a *positive learning environment* where *learning is valued*, where an *error* can be viewed as a *positive learning experience*, and where employees can easily see that *you are investing in their learning and their future*. When employees are given learning opportunities, to improve their current job performance and build their careers within the company, they become more motivated, engaged, and loyal. While your company may offer employees one or more weeks of formal training each year, *learning should be an everyday activity* for employees at all levels. **LE**

ACTION: Create a positive learning environment.

Exceptional Boards

They are stewards, models, and guardians.

by Punit Renjen

As a consultant for 25 years and now as a board chairman, I've witnessed the immense power of *exceptionalism*—both in my organization and in serving exceptional clients.

I see **eight leadership roles** a chairman and board can play to make and keep their organizations *exceptional*: 1) *steward of the enterprise*, 2) *model of values and core beliefs*, 3) *guardian of strong governance and orderly leadership succession*, 4) *strategist*, 5) *risk and scenario planner*, 6) *public face and market maker*, 7) *custodian of capital markets*, and 8) *global advocate*.

In this article, I focus on **three of the roles**—*steward, model*, and *guardian*—that help define and champion *identity*. Boards that perform these roles with exceptional skill help an enterprise and its people define "*who we are*," and champion that *identity* to stakeholders.

1. Steward. Unlike management, the Board is not tasked with daily operations, enabling it to focus on the long-term and broad-based implications of actions proposed by management. Practically, this means *the board needs to advocate for tough decisions made for the good of the organization*. This can involve probing and questioning plans involving talent, products, services, capital, and other productive assets that can be measured in dollars and cents.

The board's advocacy also involves acting as a *steward of culture*, an organization's most valuable, if not priceless, resource. Ensuring that the culture is articulated, protected, and nurtured is an essential role of the board—and can be instrumental in *driving performance*.

There's a close link between *strong identity* and *performance*. Consider the prestige that goes with appearing on any of *Fortune* magazine's annual lists. For example, some 25 companies have appeared in the *Most Admired Companies* list of top 10 brands since 2001. Seven companies—Berkshire Hathaway, FedEx, General Electric, Johnson & Johnson, Microsoft, Procter & Gamble, and Southwest Airlines—have dominated with the most top 10 appearances. It is no coincidence that the performance of each of these organizations also places

them among the top of the Fortune 500.

Boards hold a special responsibility for stewardship. Today, when impressions about an organization's *identity* can be transmitted at the speed of light, long-lasting judgments good or bad can be made just as fast. A board's stewardship helps to forge a culture that can survive—and thrive—in the intense scrutiny of today's virtual world.

2. Model of values and core beliefs. Exceptional organizations have a keen understanding of *who we are*. They do not try to be someone else. They watch the competition—but don't allow themselves to be *defined* or *validated* by anyone else. Instead, they have a clear identity, are comfortable in their own skin, and celebrate their *sense of specialness*. Their sustainability tightly correlates to a clearly articulated and lived value system. Each of their people internalizes and perpetuates the identity that they share.

That *identity* begins *at the top*. People interpret the behavior of their leaders as the behavior that is expected of them. Boards can help by modeling the *values* and *core beliefs*—and by inspiring everyone to follow their lead. How? By providing servant leadership. Servant leaders are focused outward—and their efforts are dedicated to meeting the needs of others rather than their own. For such leaders, "*who I am*" is really a statement that reaffirms the organization's identity of "*who we are*."

Making that statement daily through actions that serve others makes good business sense. Imagine the power that suddenly becomes possible when the people of an organization act *as one*, guided by the shared value of serving others. That mindset is a reality for the U.S. Marine Corps, whose men and women have acted *as one* in proudly serving our country—and the identity for which it stands. You find that same mindset at Johnson & Johnson. Its credo states that we put first the needs of the people we serve.
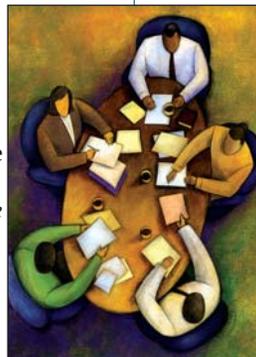
The modeling actions of boards can foster identity and set the organization apart from competitors. The modeling actions of chairmen and board directors

is best expressed by Gandhi: "*You must be the change you wish to see in the world.*"

3. Guardian of strong governance and orderly leadership succession. *Strong governance* and *orderly succession* are needed to sustain a distinct culture and market-leading performance. Boards who serve as *exceptional guardians* of these functions leverage them to help create a *legacy of exceptionalism*. Look at companies whose identity is respected over decades, and you see strong governance thanks to an ongoing commitment to *transparency*, *accountability*, and *objectivity*.

Poor governance weakens identity—and sustainability. The demise of many companies is often driven by spectacular failures of corporate governance.

This is precisely why all boards, public or private, need to be independent of management. A board's commitment to *transparency* and *accountability* makes that possible. Yet *independence* from management does not mean that boards must have an *adversarial relationship* with management. Candor can be collegial. Boards and management that act as selfless servant leaders can act as a team in doing what is best for the enterprise.

Companies that sustain their success do so through strong governance that includes a well-planned system of succession. A *succession process* that is orderly, seamless, and thorough can enhance an identity. Having leaders ready for *today and tomorrow* sends a signal to the marketplace that the business is ready to meet the needs of consumers and clients—*today and tomorrow*. Yet one-third of large companies do not have a succession planning program, thereby putting their identity at risk. Effective succession processes ensure that the *intrinsic nature* of the organization's *identity* can be *sustained* and *strengthened*.

As the collective face of the company, senior executives—and the identity their leadership creates for the organization—are visible for everyone to see.

Boards need to provide a different kind of leadership. Chairmen and directors lead *tangentially*. They assist and assess management in sustaining the organization and keeping it growing safely between the guardrails. Boards play vital roles as steward, model, and guardian in defining "who we are." The best of them help foster the culture and identity of an *exceptional* organization. **LE**

Punit Renjen is chairman of the board of Deloitte LLP. Visit www.deloitte.com.

ACTION: Create an exceptional organization.

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