

LEADERSHIP Excellence

Warren Bennis



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

AUGUST 2008

**Play to Your
Strengths**

**Why Leaders
Lose Their Way**

**Cultivate a
Culture of Candor**

**All Leaders Face
Five Temptations**

Bill George
Leadership Consultant



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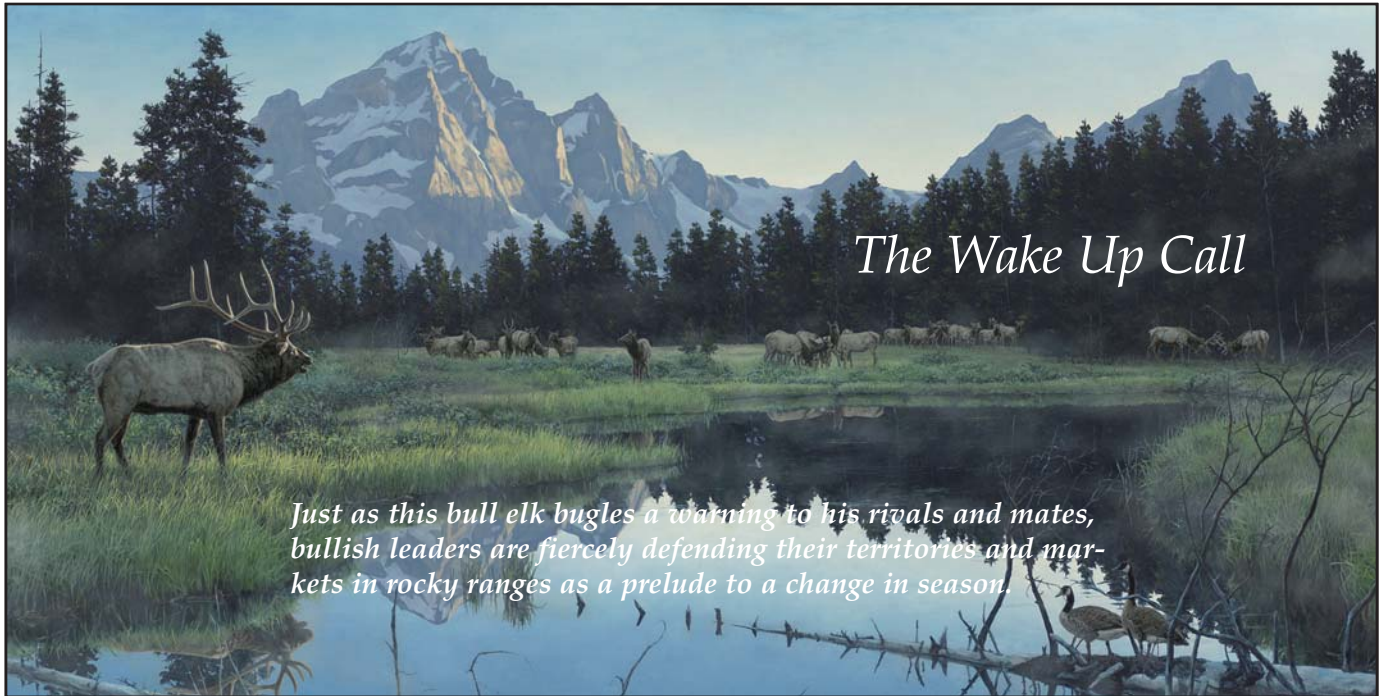
Warren Bennis



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The Wake Up Call

Just as this bull elk bugles a warning to his rivals and mates, bullish leaders are fiercely defending their territories and markets in rocky ranges as a prelude to a change in season.

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Top Contributors to Excellence

Of the 3,000 authors, 25 have added the most.



by Ken Shelton

OVER THE PAST 25 YEARS, we have published some 5,000 articles in *Leadership Excellence*. In this month's "Editor's Note," I recognize the top 25 contributing authors (both in terms of the quantity and quality of their articles):

1. Gary Hamel
2. Dave Ulrich
3. Jim Collins
4. Warren Bennis
5. Tom Peters
6. Rosabeth Kanter
7. Barbara Kellerman
8. Peter Senge
9. John Kotter
10. Marshall Goldsmith
11. Noel Tichy
12. Stephen R. Covey
13. Peter Block
14. Kevin Cashman
15. Ken Blanchard
16. Pat Lencioni
17. Charles Garfield
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19. Kevin Cashman
20. Marcus Buckingham
21. Meg Wheatley
22. Bill George
23. James O'Toole
24. Gifford Pinchot
25. Chip Bell



Gary Hamel



Dave Ulrich



Jim Collins



Warren Bennis



Tom Peters



Rosabeth Kanter



Peter Senge



John Kotter



Barbara Kellerman



M. Goldsmith



Noel Tichy



Stephen R. Covey

ers on this hot topic. It's an instant learning module.

We are still developing the 25-year CD for use on PCs. The popular 20-year CD sold some 10,000 units over the past five years—one of the all-time best-selling products in the emerging leadership development field.

New Authentic Leadership Module

I also invite you to check out on

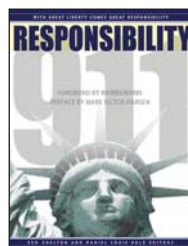
LeaderExcel.com the *newest learning module* on *Authentic Leadership*, along with the 16 learning modules that correspond to the 16 competencies of *Extraordinary Leaders* (per Zenger/Folkman).

New Leadership Development Template

Also, new this month is the new an improved *Leadership Development Template* for teams and organizations. Again, you can access this valuable LD tool online at www.LeaderExcel.com.

From Entitlement to Responsibility

We've received good reviews and response for our new book,



Bolz and Shelton

Responsibility 911, a collection of some 56 articles on the topics of responsibility and accountability—in contrast to the pervasive cultures of entitlement. Order this book this month for just \$15 plus \$5 shipping/handling. Enjoy reading *Leadership Excellence* on your August vacation. And if you want to *become an associate publisher* in your geographic area or speciality, email me. LE

Ken Shelton
Editor since 1984

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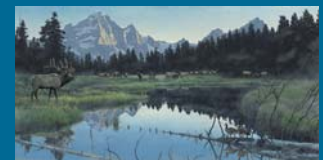
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Full view of table of contents art.



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I thank these thought leaders, along with all other contributing authors (about 3,000 total). If you missed the first 25 years of *Leadership Excellence*, no problem—you can *access all of these articles online* in a searchable archive (visit www.Leader-Excel.com). You can *try a sample search* this month for free by using the email Leader08@LeaderExcel.com and password LeaderExcel. Try searching for your hot topic. For example, in searching for articles on "employee engagement," I find 69 articles by all the top thought lead-

Why Leaders Lose Their Way

You'll face five hazards or perils on your journey.



by **Bill George, Andrew McLean and Nick Craig**

LEADERSHIP DEVELOPMENT IS A JOURNEY through challenging terrain. All leaders, including authentic ones, face hazards. Being human, leaders seek rewards for themselves, avoid negative consequences, and seek social acceptance and approbation. These normal tendencies can sabotage a leader's achievements.

Authentic leaders must be aware of and overcome the personal impulses that lead to problematic behaviors. Leaders who lose their way succumb to the negative temptations of leadership and may even celebrate these destructive tendencies.

Leaders can make mistakes and fall prey to these hazards, but still regain their footing and continue on their journeys. In fact, their mistakes, especially those that come early in their careers, can drive their development and reduce the odds of making major mistakes later. If emerging leaders are aware of the hazards and devote time to their personal development, they'll be less likely to become enmeshed in destructive patterns and more likely to emerge as authentic leaders.

The early chapters of leaders' stories often fit the pattern of what mythologist Joseph Campbell calls "the Hero's Journey." Many leaders approach their career as if they were on the quest of a conquering hero, with a focus on themselves—their skills, performance, achievements, and rewards. The hero's job—doing impressive deeds, facing challenges, and gaining notice—may seem the best route to success. But acting as a hero is only a stage that authentic leaders move through (and outgrow)—one with its own risks, temptations, and misbehaviors.

After moving through the hero sage, you enter into the first stage of true leadership where you learn to focus on others, gain a sense of a larger purpose, foster multiple support networks, and develop mechanisms to

keep perspective and stay grounded. You become a person whom people trust and want to work with.

Five Hazards of Leadership

The five perils of the leadership journey are destructive behaviors that usually start in the hero stage. We all see these archetypes in others. The key is recognizing them in yourself. To some extent, these hazards result from natural fears that you face as an emerging leader. For each fear, you may have a destructive response or a healthy response.

1. Being an imposter. When you feel like an imposter, you can't act decisively, and may experience paralyzing doubt. Your inaction may lead to poor results and external challenges. If you don't face and overcome this hazard, you'll



attack your critics and cut yourself off from internal feedback. Frustrated by their inability to influence you, your most competent co-workers may move on to greener pastures. Those who remain tend to keep their heads down and wait for you to make decisions.

Leaders are vulnerable to becoming imposters when they lack self-awareness. Having acquired power, imposters aren't sure how to use it. They're beset with doubts about handling the responsibilities. Since one strength of their leadership is besting internal opponents, imposters may become paranoid that underlings are out to get them.

2. Rationalizing. When you are being drawn off course by rationalizing, you tend to blame external forces or subordinates when things do not go your way. At first, you may deny that the problems exist. When you acknowledge their existence and your responsibility for them, your instinct may be to cover up the problems or deny their seriousness. You may not acknowledge

that things could get worse. If rationalizing becomes a habit, it is more difficult to step up and take responsibility for the problems. In times like these, subordinates judge the values of their leaders and determine whether they are true to what they say they believe.

If you continue to rationalize outcomes, others may begin to rationalize their problems rather than facing up to them, making it difficult to hold anyone accountable. You may transmit greater pressure to subordinates instead of modulating it appropriately. When increased pressure fails to produce the desired results, you may resort to short-term strategies, such as cutting funding for research, pursuing growth initiatives, or focusing on immediate goals. You may be tempted to borrow from the future to make today's numbers look good, or to stretch accounting rules. You might justify these moves by believing you can make it up in the future. Ultimately, leaders who do not overcome the hazard of rationalizing become victims of rationalizations. Leaders who are not clear about their values, leadership principles, and ethical boundaries are vulnerable to rationalization. Lacking clarity, they do not have sound boundaries around their behaviors, and may convince themselves that the ends justify the means.

3. Glory-seeking. Glory seekers are more concerned with their status and reputation than with building teams that create sustainable value. You risk becoming a glory seeker when you are motivated primarily by money, fame, power, and glory. If you let the external world define your success, and hunger for such recognition, your inner drive is focused on obtaining more money, adulation, recognition, prestige, or power. Glory-seeking is the shadow expression of leaders who do not balance their intrinsic and extrinsic motivations and fail to link their capabilities. It often results from a lack of self-love and a need to use external recognition to fill internal void.

4. Being a loner. You're falling into the trap of being a loner when you avoid forming close relationships, do not seek out mentors, and lack a support network of friends, colleagues, or peers. Being a loner is endemic among leaders who are promoted to positions of power by relying on their individual capabilities, ambitions, and drives that may be born out of insecurity.

It is natural to think of leadership as a solitary pursuit, but it is also perilous. In a competitive world where we are evaluated on our merits, aspir-

ing leaders seek to develop their own resources, husband their own ideas, and trust their own judgment. But, loners can easily fall into a self-reinforcing trap. Under pressure, they may retreat to the bunker when results are elusive and criticism of their leadership surfaces. As loners, they have few personal support structures in place to get through challenging times. They can become rigid in pursuing objectives, not recognizing that being a loner is making it impossible for them to reach their goals. Meanwhile, their teams can unravel, and their personal lives crumble, just when they most need the support of family members.

5. Being a shooting star. At times of rapid advancement, leaders risk becoming shooting stars, burning brightly and moving fast, then crashing. If your life centers entirely on your career and you are always on the go, traveling to get ahead, you risk becoming a shooting star whose life is spiraling out of control.

High achievement and top leadership posts often come to those who start early and run fast. You risk becoming a shooting star when you move up so rapidly that you never learn from your mistakes. When you never make an honest assessment of your leadership, you'll never have to confront the results of your decisions. When you see problems of your own making coming back to haunt you, you become anxious rather than apply the painful lessons of your experience.

When you're seen as a star, you can threaten your employer with a move if not promoted. One day you may find yourself in a high-level position where you are overwhelmed by the problems. You'll likely make impulsive or irrational decisions, because you have no grounding that enables you to cope with problems rationally. You then flame out. When you feel the urgency to escape from your dilemmas and move to a new position, check whether you are moving so fast that you have lost touch with your inner compass.

All leaders can lose their way and be pulled off the course of True North by pressures and seductions. Being authentic as a leader is not about being perfect. It is more about owning where you have gone off track and learning from your experience. Some hazards show up more often than others.

Knowing this will help accelerate your development as an authentic leader. **LE**

Bill George, Andrew McLean, and Nick Craig are coauthors of Finding Your True North: A Personal Guide (Jossey-Bass). Visit www.truenorthleaders.com.

ACTION: Stay oriented by your north star.

Culture of Candor

Cultivate internal transparency.



by Warren Bennis, Dan Goleman and James O'Toole

CLAIMING TO BE TRANSPARENT IS NOT the same as *being* transparent.

Even as leaders boast about their commitment to transparency, the containment of truth continues to be a dearly held value. You can say you believe in transparency without practicing it.

Opacity continues to characterize many organizations. And it's no accident—it is systematically built into the structure. Forces conspire against a culture of candor and transparency. Yet withholding information has become harder with the emergence of sunlight technology and the rise of the blogosphere. In our *gotcha culture*, no men's room tryst remains secret, no racial slur goes unrecorded, no wrongdoing can be hid in locked files.

When we speak of *transparency* and a *culture of candor*, we're talking about the free flow of information among stakeholders. Your capacity to compete, solve problems, innovate, meet challenges, achieve goals, and apply intelligence varies to the degree the information flow remains healthy—especially when the information consists of facts that you may bristle at hearing—and that subordinates often play down, disguise, or ignore. Followers must feel free to speak openly, and leaders must welcome openness. Still, true transparency is rare. Many leaders pay lip service to openness and candor, writing them into mission statements, but these often inspire frustration, even cynicism.

Information flow means that critical information gets to the right person at the right time and for the right reason. This often requires the leader's commitment, if not intervention. Of course, complete transparency is not possible—or even desirable, in many instances. Leaders may have a legitimate interest in safeguarding from competitors information about innovations, processes, recipes, or strategies.



Such secrets are reasonable. However, secretiveness is often simply reflexive.

It is easy to forget that transparency is a choice. Few leaders choose voluntary transparency. Legislation can't make organizations open and healthy. New regulations can help restore trust; but in a culture of collusion, people find ways around the rules. Candor, openness, and transparency become widespread only when leaders clearly value, reward, and model these behaviors.

Whistleblowers Welcome

The most damaging secrets deal with harmful activities. The exposure of such embarrassing, even shameful, secrets is transparency at its best and most difficult. Traditionally, such secrets have come to public attention because of whistleblowers—courageous individuals who expose the deepest secrets, often at peril to themselves. Almost inevitably the person who exposes wrongdoings suffers, usually by being shunned, demoted, fired, or otherwise punished.

Retaliation keeps most people from telling explosive secrets. Although whistleblowers are often exiled for

their candor, they usually find the courage to speak out in their deep commitment to the core values. Even when labeled *traitors* by colleagues, such tellers of unsettling truths often feel passionate loyalty and act because they feel the secret activity violates its mission and ethical core.

Leaders must set the example by demanding candor and transparency.

One dirty little secret is a debilitating caste system that identifies a few people as stars, who are then rewarded and afforded special privileges, and damns the rest as mediocrities who are expected to be good soldiers, work hard, and keep their mouths shut.

Leaders need to second-guess their enthusiasms and antipathies, since both can cloud their judgment. The best way for leaders to create a culture of candor is to set a good example. They must accept—even welcome—unsettling information. If leaders show that they want to hear more than incessant happy talk, and praise those with the courage to articulate unpleasant truths, then the norm will begin to shift toward transparency. **LE**

Warren Bennis, Dan Goleman, and James O'Toole are coauthors of Transparency (Jossey-Bass). Visit www.josseybass.com.

ACTION: Cultivate more candor and transparency.

21st Century Innovation

Put 'brain' back into brainstorming.



by Rex Jung, Judith E. Glaser
and Jerry Manas

THE MORE WE LEARN ABOUT HOW THE brain grows, adapts, changes and—on the other extreme—falls into patterns of thinking, the more we see that a leader's job is creating environments for innovation. Enhancing interaction during brainstorming enables us to tap into our hardwired DNA and leverage the enormous capacity and deft flexibility of our brains to enhance innovation.

Suppose you're invited to participate in a brainstorming session. The facilitator says that "every idea counts" and invites you to propose many ideas in the next 10 to 15 minutes. You feel rushed, and notice a push to come to consensus. The effort of organizing and narrowing the ideas then begins. Ideas are posted and you dutifully put dots on those you think are best. Next, you step back, see where the dots are densely clustered, and choose 10 good ideas. The facilitator posts them, announces the top three, does a bake-off of these three, and declares the winning idea.

Of course, everyone is not on board with the chosen idea. Some people are willing to abandon their pet ideas; others go underground and create resistance. Some give up and give in.

This process is "innovation by committee." Mediocre ideas emerge, driven by the need to converge, reach consensus, and avoid conflict. This is a far cry from what we can achieve in innovation. We need to nurture the ideation process and allow room for divergence.

Divergent Thinking

People want to be connected and be part of a winning team. This need is a powerful drive. Our brains accommodate the complex interplay between individuals, groups, and societies. Similarly, we want to feel successful and competent. We strive to find our comfort zone where we can project a positive image, be smart, and feel included. Sadly, these tendencies also inhibit innovation.

Thinking the same thoughts repeat-

edly lulls us into a sense of comfort. We think we know the "correct" answer, which reinforces feelings of intelligence and good judgment. We may not even realize we are in a repetitive loop, or experiencing *status quo* thinking.

Instead, we feel good that we got it right.

Thinking repetitive thoughts etches "grooves" into the brain. MRIs show that the gray matter nodes, regions of the brain that do the processing, are well developed. So is the white matter that connects those nodes. The brain is reshaping itself and reinforcing what it knows, perhaps at the expense of what is new and novel. Along these well-trodden paths, brain structure serves to link learning to behavior in predictable ways.

Innovation likely resides in regions of the brain both overlapping and distinct from these well-developed pathways. Divergence, one aspect of new and innovative thinking, requires that we expand our ideas into the far recesses of our brain that may be less comfortable or familiar. Yet getting into those parts of the brain forges new connections—both at the idea level and at the level of the brain tissue itself.

We raise our *Innovation IQ* by making new brain connections daily. Facilitating divergence fosters fresh thinking.

Debunking Creativity Myths

Wise leaders raise *Innovation IQ* by challenging three common myths.

Myth 1: Creativity is a right brain activity—some have it, some don't. If we are inclined to be logical thinkers, drawing upon the left side of our brain, then we are probably not creative. **Truth 1: Creativity is a skill set that uses the whole brain.** Creativity is a whole-brain activity, distributed between left and right hemispheres. While the left-brain's function is described as "logical" and the right brain as more "innovative," that does not make the left logical and the right creative. **Action steps:** Notice your first inclination and let it pass—that is where your groove exists. Spend time with your second, third, or fourth inclination. Let go of the need to judge your ideas immediately. Let them flow first.

Myth 2: There is no creativity without an "aha moment." To be creative, you need to wait for that magic "aha moment"—that without this flash of insight, creativity cannot happen. So we wait for that perfectly formed idea to spring into our mind, often afraid to share other ideas that are taking shape.

We even suppress them, telling ourselves they are stupid. But allowing many divergent ideas to emerge primes our brain to make new connections.

Truth 2: Rather than wait for a sudden insight or a perfect and safe solution, generate a wealth of ideas. Many innovative ideas come through experimentation and discovery—the best way to have a good idea is to have many ideas. We need to prime our brains to freely generate and express ideas, not suppress them. **Action steps:** State the problem or challenge.

Find trigger words related to your challenge to get your juices flowing. Sleep on it, watch a movie, go to a park. Prime the pump by getting off task and allowing the idea to percolate. Get moving—motion stimulates creativity.

Myth 3: Innovation should either be a loose, free-for-all activity, or a consensus exercise. We tend to think that there is one right idea or one best way to solve a problem. But if we spend most of our time free-associating, we may not arrive at a pragmatic solution. If we devote all our efforts to driving consensus, we won't engage in the divergence, abstraction, and wandering thought processes to get to the most innovative ideas. **Truth 3: To innovate, you need to give equal attention to divergence and convergence.** Mastery of the interplay between these two makes for a great innovator, tapping into both the intelligence and creative capacity of what is known and what is possible. **Action steps:** Remove the fear of making mistakes or feeling stupid by incorporating "safe" feedback. Advocacy is part of the innovation. Great ideas are worth fighting for, and such ideas need a champion.

These myths undermine our ability to innovate. We need to use the whole brain, prime our brains to generate unsuppressed ideas, and give equal attention to divergence and convergence to boost our *Innovation IQ*. **LE**

Judith E. Glaser is CEO of Benchmark Communications, and author of *Creating We and The DNA of Leadership*. Visit www.creatingwe.com. Rex Jung, Ph.D., is a Research Scientist at the MIND Research Network (visit www.mrn.org or e-mail rjung@mrn.org). Jerry Manas is president of The Marengo Group and author of *Managing the Gray Areas*. Visit www.marengogroup.com.

ACTION: Boost your innovation IQ.

Five Temptations

All leaders must face these.



by Patrick Lencioni

AS I CONSULT WITH leaders, I notice five behavioral patterns that cause problems. All leaders who fail—and most do at one time or another—make the same basic mistakes; they succumb to one (or more) of the five temptations. Leaders won't put their temptations on the table for others to see and enlist the support of those who are in a position to help. This calls for scrutiny, which many leaders resent and resist.

The key to success is to embrace the self-examination that reveals the temptations, keep them in the open, and address them. Some temptations may not seem like frailties in our personal lives. But in our roles as leaders, the temptations are poison.

Temptation 1: Choosing status over results. Leaders must produce results, and yet many leaders put something ahead of results on their list of priorities—the desire to protect the status of their careers. Most CEOs were results maniacs before reaching their ultimate jobs. Once they “arrive,” many focus on preserving their status since their real purpose in life is personal gain. With nowhere to go but down, once they achieve their ultimate status, they'll do all they can to protect it. This causes CEOs to make decisions that protect their ego or reputation. They reward people who massage their ego, instead of those who contribute to the results.

Advice: Make results the most important measure of personal success, or step down from the job. Consider it a professional failure when your organization fails to meet its objectives. You must judge your success by the results on the bottom line.

Temptation 2: Choosing popularity over accountability. Leaders often fail to hold their direct reports accountable for delivering on commitments that drive results because they desire to be popular. Most CEOs become

friends with their reports, develop camaraderie, and balk when they must tell their people that they are not meeting expectations. CEOs conduct performance reviews for their direct reports far less diligently than do managers at other levels. Why? They don't want to upset one of their peers.

Advice: Work for the long-term respect of your direct reports, not for their affection. Don't view them as a support group, but as key employees who must deliver on commitments to produce predictable results. Your people won't like you anyway if they fail. Not holding some people accountable for their behaviors and results causes negative reaction from others who perceive unfairness or favoritism.

Temptation 3: Choosing certainty over clarity. Leaders often don't hold direct reports accountable because they don't make it clear what those people are accountable for doing. Why? They need to make “correct” decisions, to achieve certainty. Executives with a need for precision and correctness often postpone decisions and fail to make their people's deliverables clear. They provide vague and hesitant direction and hope that reports figure out the right answers.

Advice: make clarity more important than accuracy. Your people will learn more if you take decisive action than if you wait for more information. If the decisions you make in the spirit of creating clarity turn out to be wrong, change plans and explain why. It is your job to risk being wrong. The cost to you of being wrong is loss of pride. The cost to the company of not risking being wrong is paralysis.

Temptation 4: Choosing harmony over productive conflict. Leaders don't feel comfortable with the decisions they make unless their direct reports are all in harmony, believing that it is better for people to agree and get along than disagree and conflict. However, harmony may restrict “productive conflict,” the passionate interchange of opinions on an issue. Without such conflict, decisions are often suboptimal. The best

decisions are made after all knowledge and perspectives are on the table. Not all perspectives and opinions can be agreed with, but they can be considered.

Advice: tolerate discord. Encourage your direct reports to air their differences, with passion. Tumultuous meetings are often signs of progress. Tame ones are often signs of leaving important issues off the table. Guard against personal attacks, but not to the point of stifling important interchanges of ideas. Productive meetings should be passionate, critical discussions. Pleasant or boring meetings are indications that there is no overt, constructive conflict. Some executives just sweep conflict under the table or squelch any potential for passion by making peace. After a few pleasant meetings, executives start lamenting the real work that they could be doing.

Temptation 5: Choosing invulnerability over trust. Leaders are powerful. Being vulnerable with their peers is uncomfortable. They believe that they lose credibility if their people feel too comfortable challenging their ideas. Even if they encourage productive conflict, they don't achieve it because it doesn't feel safe to their people. As a result, those reports position themselves around the inferred opinion of the CEO and conflict with one another only when it is politically expedient.

Advice: invite your people to challenge your ideas. Trust them with your reputation and your ego. They will return this trust with respect and honesty. CEOs who focus on results more than status, accountability more than popularity, clarity more than certainty, productive conflict more than harmony, and trust more than invulnerability can still fail, but only if they are thwarted by competitive and market pressures.

Instilling trust gives you the confidence to have productive conflict. Fostering conflict gives you confidence to create clarity. Clarity gives you the confidence to hold people accountable. Accountability gives you confidence in expected results. And results are your ultimate measure of long-term success.

Leaders don't lose face when they are wrong, because they know who they are and why they are the leader, and realize that results, not appearances, are their ultimate measure of success. They know that the best way to get results is to put their weaknesses on the table and invite people to help them minimize those weaknesses. **LE**

Patrick Lencioni is author of The Five Dysfunctions of a Team and heads The Table Group. Visit www.tablegroup.com.

ACTION: Identify your temptations.



Effective Leadership

Let's revisit Drucker's model.



by William A. Cohen

PPETER F. DRUCKER, "The Father of Modern Management" died four years ago. Drucker, the man, is gone, but his genius lives on. His teachings are still studied and applied by managers worldwide. More than 50 years ago, Drucker wrote in his first book devoted to management: "Leadership is of utmost importance. Indeed there is no substitute for it."

While Drucker did not leave us with a unified model of leadership, through his writings and presentations, as well as my own notes and personal conversations, we can derive the essence of what Drucker wanted to teach us. Drucker's model for effective leadership has five components:

1. Build on the foundation of strategic planning. Drucker wrote: "You can't predict the future, but you can create it." His method of creation was strategic planning. Though strategic planning is difficult and risky, it is the first priority of the leader. Strategic planning is about making decisions now to create a desired future. This implies reaching the goals or objectives we set regardless of the conditions we might encounter, and this requires adjustments and changes along the way. It is crucial to start with the leader's objectives derived from the definition of the mission or "what business were we in?" And then looking at what has happened and deciding what these occurrences would mean could we decide on the actions we needed to take now, in the present, to realize these goals sometime in the future.

2. Establish the condition of business ethics and personal integrity. If strategic planning is the foundation of leadership, ethics and personal integrity are necessary conditions for leadership effectiveness. In his early writings, Drucker stated that leadership is exercised through character, and though followers might forgive a leader much, they would not forgive him a lack of integrity. However, his views on ethics ran contrary to many. He drew distinctions between what are called business

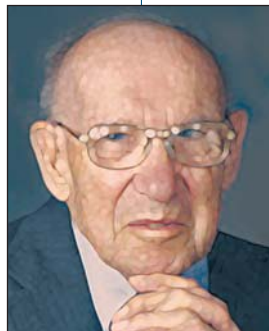
ethics and personal integrity. While both are necessary for effective leadership, he was cautious of absolute interpretations of what was and was not defined as "ethical business behavior." He recognized that what one culture might find acceptable or required for ethical behavior, might be totally different in another (even considered unethical). He noted that the law and integrity are not the same. He tested many different ethical approaches and found them all wanting for business application. However, he settled on several Confucian concepts and the exhortation of Hippocrates: "Above all do, no harm" as a primary test.

3. Model military leadership. Some may be surprised at this element, although Drucker left many clues in his writings. He stated that the first and best book on leadership was written by Xenophon two millennia ago. Xenophon was a Greek general who had fought in Persia. In *Kyropaidia* and *Anabasis*, Xenophon wrote about leadership in battle. He was not promoting a "business is war" philosophy, but emphasized that the basic element in military leadership was just good leadership. In recommending Frances Hesselbein's adaptation of the *Army Leadership Manual* in a book, *Be, Know, Do*, written with former Army Chief of Staff General Eric Shinseki, Drucker wrote: "The Army trains and develops more leaders than do all other institutions—and with a lower casualty rate."

4. Motivate in the correct way. Drucker was sensitive to the role and function of the worker. As he saw it, companies are increasingly dependent on "knowledge workers" who work primarily with their minds. However, to Drucker, all workers are of significant actual and potential value to the firm. He resented it when management talked of the *cost* of labor. And he didn't like to think of *managing* workers either, although he used these terms. To Drucker, labor was not an expense; labor was added value, potentially the greatest resource that an organization possessed. Drucker's

view of motivation included these elements: Workers are led, not managed. The workplace is participatory, but not "free-wheeling." Workers are not motivated through money alone. Each worker is motivated differently according to the individual and the situation. All workers are treated as volunteers, and with respect. All of these were summed up by the last element: treat all workers as if they are volunteer workers, because they are mobile volunteers and economic conditions permitting, the best can and will leave any organization if mistreated.

5. Apply the marketing concept to leadership. In 1999, Peter published, *Management Challenges for the 21st Century*. In a chapter "Management's New Paradigms" he called workers "partners" who can't be ordered—they have to be persuaded. Hence, leadership is "a marketing job."



The basis of the marketing concept is that firms should seek to discover and then to satisfy the needs of their customers rather than primarily convincing them to purchase products or services. As expressed by direct marketing expert Freeman Gosden, Jr., "It's not what you want to sell—

it's what your customer wants to buy." Drucker taught that if marketing were done perfectly, selling would be unnecessary. However to practice marketing correctly, you must understand the needs of each customer segment, including their values, and behaviors to approach them in a manner that they would prefer and could relate to. In this way, you can develop products and promote them in the way that the customer considers important, rather than what you consider important. Leaders need to approach co-workers and subordinates in the same way.

Unfortunately Peter did not write "Drucker on Leadership," but he left clues, and through these clues, we can make maximum use of his genius to lead with integrity, effectiveness, and honor. Drucker gave us this profound definition of leadership: "Leadership is the lifting of a man's vision to higher sights, the raising of a man's performance to a higher standard, the building of a man's personality beyond its normal limitations." LE

William A. Cohen is President of the Institute of Leader Arts at www.stuffofheroes.com. He was Peter Drucker's first executive PhD graduate. His latest book is *A Class with Drucker* (AMACOM, 2008).

ACTION: Revisit Drucker's model of leadership.

Fear Not

You need sustainable motivation.



by Jim Collins

PICTURE THE GREAT music composer Beethoven struggling to write a perfect Fifth Symphony that will stand the test of time. He starts with a simple theme. Discards it. Starts again. Revises it. Finally settles upon the famous “fate motive” (Da Da Da Dommmmm!). Inverts it. Extends it. Rends, amends, and dissects it. All in the context of a primal thematic struggle: that of light versus dark, hope versus despair, major versus minor. With great discipline he holds back the trombones, the piccolo, and the contrabassoon until their triumphal entry on the downbeat of movement four, when the forces of life and hope blast forth to obliterate the forces of angst and despair once and for all.

As Robert Greenberg says in his audiotaped lecture series *The Symphonies of Beethoven*, “If you can remain composed at the beginning of the fourth movement, then I would check my respiration to make sure I am still alive.”

Now imagine asking Beethoven during his toil to perfect the Fifth Symphony, “Ludwig, why are you working so hard? Your First Symphony has established you as one of the most popular and successful composers of the day. Your Third Symphony, *Eroica*, will stand as one of the great cutting-edge creations of all time, having shattered the constraints of the classical style. You’ve already earned your place in the history books. Why do you continue to push yourself?”

Can you picture Beethoven responding, “Why push myself? Because if I don’t write a better symphony, then someone else will. The competition is fierce, and if I don’t improve, I’ll be pummeled by those feisty foreign upstarts. Change or die. Innovate or self-destruct. Eat lunch or be lunch. It’s not that I really *want* to reinvent and perfect my work; it’s just that in this world, only the paranoid survive.”

Avoid Fear Mongering

I frequently use that analogy to poke serious fun at the fear mongering that pervades modern management thinking and leadership writing. You can hardly pick up a business magazine, visit a bookstore, or listen to a management guru without being assaulted by admonitions designed to frighten you into action: “You’d better hop to it and (insert favorite word: *change, innovate, improve, reinvent, renew, revitalize, revolutionize, whatever*), or else!”

I’m not advocating that you stick with the status quo. Nor do I deny



the importance of continual reinvention and self-renewal in a changing world. Yes, the competition *will* blow you away if you refuse to *improve*. And, yes, you will pay a hefty—perhaps even fatal—price if you operate in denial of external realities.

But that is not the primary reason you should change, improve, create, and renew. I’ve never seen anything great and lasting created solely because “otherwise something bad will happen.”

Those who build enduring, great companies are driven first and foremost by an inner creative urge. They would have continued to challenge themselves and push forward even if they didn’t have to. That is not only why they reached the top but also why they stayed there for so long.

The epidemic of fear mongering is debilitating (not to mention insulting), for it presumes that we are all basically lazy and have little intrinsic drive to create and improve. Given the choice,

would *you* sit there and vegetate, feeling no urge to achieve goals, create, or make things better? I doubt it. Yet this absurdly patronizing belief that fear is our primary motivator has nonetheless infected too many of us.

I recently met with a CEO to discuss his upcoming speech about the need for change. His draft for the speech sounded the “We’ve got to change, or else!” theme. After listening for awhile, I interrupted him: “Why do you personally work so hard on changing this company?”

He responded similarly to the way I imagine Beethoven would have responded: “Because we can be so much better. Because I really want us to be a great company, and I believe we can be—if we’re willing to do what it takes to transform ourselves.”

“Do you find your original speech inspiring?” I asked. “Would it inspire you?”

“Well—no. But it would probably scare me into action. I need to give people a *reason* to change.”

“So, then, let me ask you this: How do you plan to measure progress against the goal of survival, and how will you know when you’ve achieved the goal? Do you plan to pause each day and say, ‘Well, we’ve survived another day—hurrah!’?”

To his great credit, the CEO altered his tune to be more in line with his own personal motivations. Instead of focusing entirely on a “change or else” theme, he shifted to a “progress toward something greater” theme. His people found it inspiring. But even more important, I believe they will continue to feel motivated even after the company reaches a comfortable level of success—and *that* is the critical point. Because what’s needed is motivation that’s *sustainable*.

A Personal Experience

I had a personal experience that helped me understand that dynamic. Shortly after receiving a teaching award at Stanford, I began to dread my course. I worried that I could not repeat the performance and that the quality of other courses would exceed mine. I felt motivated, to be sure, but it was a kind of motivation that sapped away the sheer joy I normally felt in teaching.

Around the same time, I was reading about John Wooden, the UCLA men’s basketball coach who led his team to 10 NCAA championships in 12 years during the 1960s and 1970s.

Set New Rules

Outsmart the competition.



by Jim Champy

I'VE ALWAYS ADMIRER Charles Darwin because he didn't just sit around his office touting unproven theories—he traveled far afield in search of actual experience, made detailed observations, and tested his theories to find out what really worked.

Darwin has much to teach us in today's tough economic climate. As he might put it, businesses breed beyond available customers; companies with successful strategies have a better chance of survival; and successful enterprises force out weaker ones, creating new business models. The businesses that succeed not only survive, but grow, gaining more customers and forcing their rivals to adapt or die.

I recall a client of mine who was saved from extinction only by an acquisitive competitor. In the late 1990s, the venerable European airline, Swiss Air, was threatened by the rise of British Air and Lufthansa; both had more routes and more ways to spread costs. Swiss Air asked me for advice. I concluded that the company could no longer compete simply by staying aloft. But it still owned many ground assets. Why not reinvent Swiss Air as a friendly carrier focused on improving the travel experience? I urged its leaders to integrate all its assets and compete as Europe's first total air-travel company, featuring complete service from the ground up.

Swiss Air's executives balked. My notion violated their thinking. They ignored my advice and bought into cash-poor carriers whose heavy borrowing drove Swiss Air into bankruptcy. Lufthansa picked up the company for a song in 2002. In the end, Swiss Air lost its independence.

At the other extreme of cautionary tales are successful corporations that succumb to hubris and begin overreaching. Embodying another form of adaptive failure, they throw caution to the winds and plunge ahead with a moon shot—some hyped new product that fails. At high altitudes, even smart

companies are not immune to dizziness and groupthink.

As the world anxiously awaits the expected ripple effect of tight credit and a collapsed housing market, leaders are being told to cut their budgets. But amid all the belt-tightening, I'm reminded of the admonition: you can't shrink yourself to greatness. Might this be a time to spend and grow?

My friend Peter Drucker, the late, great management thinker, declared, "Chaos is an opportunity, not a threat." If this century is defined by an endless torrent of problems that people will pay anything to solve, we live in promising times. The problems (opportunities) begin with the immense impact of ever more people seeking better lives. A host of big problems need solving—from health pandemics to environmental breakdowns to food shortages. Am I suggesting that leaders focus only on profiting from tragedies? Absolutely not. But the world genuinely needs business leaders to help solve an array of problems constructively. Clearly, governments can't do it on their own.

Despite the economic downturn, global markets are expanding. We live in a time of innovation, a world of smart and smarter strategic options. The catch is that the prize will go to the smartest competitor: you must outsmart your rivals, stake out new territory, define the boundaries, and even set new rules for the game.

Business has never been more complex, yet so full of opportunity. Technological advances have spawned a time of hyperbolic risk and reward. So we pursue the old grail of competitive advantage with powerful new weapons: high-velocity concepts, unprecedented products, and sophisticated marketing tools. The combat is unforgiving, the casualties unremitting.

There's not much new in management, but much is new in business. Much of it has to do with the strategy needed for growth. Outsmarting the competition requires more than intelligence, experience, and business sense; you also have to be quick, flexible, and ready to adapt. The penalty for failure is extinction, but the prize for success is survival, growth, and rich rewards. **LE**

Jim Champy is head of consulting and strategy at Perot Systems and author of *Outsmart! How To Do What Your Competitors Can't* (FT Press, \$22.99). Visit www.jimchampy.com.

ACTION: Outsmart your competition.

It dawned on me that Wooden had never made it a goal to repeat the previous year's performance—even if it had been an undefeated season. He focused his attention entirely on how to *improve* on the previous year. Wooden highlighted for me a supreme truth: that excellence is the residual result of continual creation and improvement *for its own sake*. Whereas the fear mongers concentrate on the demoralizing effect of failure, Wooden capitalized on the inspiring payoff of achievement—the pure, reenergizing glee that comes from simply creating something new and doing something better.

It was an epiphany that changed my approach. Instead of obsessing about not losing what I had, I shifted to focusing on making the course better, even if just by a little bit. It was a liberating shift that restored the joy of preparation that had formerly guided me. I had fun again! And, most important, the course did in fact improve.

I acknowledge fear as a powerful motivator for all of us. I'm as subject to it as anyone. But the dark side of motivation by fear is that it is like a powerful stimulant: it can jolt you for a while, but it also inevitably leaves you more drained than before. Wanting to survive—to merely avoid losing what we have—is not a goal that can motivate over the long haul. It offers no promise of forward motion, of accomplishment. (You can't ever finish "not losing" something—until, that is, you're not alive to "not lose" it anymore.) Indeed, had Beethoven focused primarily on not losing his stature after the Third Symphony, rather than pushing further, I suspect we would not have the Fifth or the Ninth symphonies. And Beethoven would not have become *Beethoven*.

So the next time you encounter a "Change or die!" lecture, in print or in person, remember the words of Royal Robbins, the great rock climber who pioneered ascents of Yosemite's big walls: "The point is not to avoid death—if you want to do that, simply stay on the ground. The point is to reach the top, and then keep on climbing." **LE**

Jim Collins is a student and teacher of enduring great companies, and the best selling author of *Built to Last: Successful Habits of Visionary Companies* and *Good to Great: Why Some Companies Make the Leap ... And Others Don't*. Visit www.jimcollins.com.

ACTION: Use sustainable motivation.

Be Big

Create new mindsets.



by Judith H. Katz and Frederick A. Miller

MANY PEOPLE DECIDE THAT THE SAFE way to live and lead is to be small. But leaders need people to step up and Be Big—to bring more of themselves to work, contribute more, and have a bigger impact.

As we work to transform culture, we often encounter the obstacles that inhibit high performance. Even as leaders embark on great visions and try to execute ambitious plans, they tend to underestimate the extent to which people are engaged and feel valued and respected. People often talk about feeling invisible, unheard, underutilized, and unmotivated. These experiences result in a sense of smallness—people feeling they can't contribute their capabilities and feeling unable to perform their best work.

Leaders need to create a dynamic culture in which people feel connected to each other, their teams, and their products and services. In competitive global markets, customers demand better service and more innovative products. Cycle times are down; demand for quality is up. Leaders can't do it alone—they need the contributions and best thinking of everyone. They need all people to Be Big—to be fully engaged, bringing their voice, and stepping up and stepping out.

Being Big, however, isn't easy. People are afraid to speak up, because they don't feel safe. Leaders may want to hear from team members, but many are "hiding out" in cubicles and staying small.

A Culture of Smallness

The disconnect between what is happening and what is needed can be attributed primarily to the uncertainty people feel on the individual, group, and system levels. As organizations go through cycles of change and downsizing, many people decide to stay under the radar. They develop a perspective that says: The less attention you attract

to yourself, the safer you will be. It is best not to be seen. It is best not to speak up. It is best to be small.

Similarly, leaders send mixed messages about the importance of people. They talk about "people are our greatest asset." However, many leaders fail to find ways to engage people and enable them to overcome feeling small. At times leaders don't realize that their behaviors are keeping people small by not seeking input from others, and even punishing—in ways subtle and overt—those who speak up with differing opinions or ideas. Again, the message is clear: the safest thing to do is to hide by being small.

People exhibit small mindsets and behaviors in various ways on individual ("me"), interpersonal ("you"), and group ("we") levels. Some examples are:

A Small "Me"

Staying in a comfort zone. Accepting things as they are, refusing to take risks, and limiting one's own role can feel safe, but these behaviors also prevent learning and growth.

Staying invisible. From literal invisibility (avoiding people, skipping meetings and gatherings) to figurative (not standing out, not initiating, not questioning), people fly under the radar.

Staying silent. Both self-doubt ("what if I say something stupid?") and cues from the culture (seeing people who speak up get slammed for it) inhibit people from contributing.

I don't matter. People use a litany of rationalizations—"I'm just a cog in the wheel," "I'm not good enough," "I don't fit in here," "No one cares anyway"—to justify staying small.

A Small "You"

Putting others in a box. Assuming you know what your colleagues are like. Holding assumptions and biases that blind you to others' capabilities.

Making others invisible. Not caring about others, or noticing their talents—restricting who colleagues can be.

Not noticing abilities. Seeing only the shortcomings of others rather than their talents, skills, and potential.

Not appreciating uniqueness. Distrusting others' differences or seeing them as deficiencies; disagreements as a problem that others own and need to correct.

A Small "We"

Going it alone. Involvement from others is seen as meddling, unne-

cessary, and time-consuming. "I know what I'm doing. I don't know how to (or don't want to) work as a team."

Protecting one's position. Hoarding knowledge and competing with others, rather than collaborating, sharing information, and helping others.

Distrust. Feeling uncomfortable with those who see and do things differently.

Not reaching out. Keeping one's distance, letting others make the first move.

Being Big

It takes effort to overcome smallness and create a safe space for people to step up, step out, be bold, be their BIG selves, and contribute their best work. But the rewards can be enormous:

People show up, bringing their thinking, experiences, wisdom, and courage.

People contribute and bring their voice. The organization is a vibrant collection of voices and ideas. Many points of view are heard and valued.

People take risks. They step outside their comfort zones, say what they believe, and eagerly try new things.

People take off blinders. They question the assumptions about each other and the organization. They see

each other fully and know that there is always more they don't see.

People reach out and engage. There is a community of effort in which people listen as allies, interact with each other regularly, and appreciate the benefits of many points of contact.

People support each other. Together, people co-create a safe workplace and make proactive efforts to help each other succeed. They recognize the need to rely on each other so the organization as a whole can move forward.

How to Get There

To create a culture in which all people can Be Big, the leaders must Be Big. This calls for a new style of authentic leadership, a new model of leading and partnering—stepping out of your comfort zone, speaking up about issues that matter, and creating a culture that enables all people to know that they are needed to solve challenges and capitalize on opportunities. Achieving this means removing blinders and assumptions about people and what is possible and creating new mindsets and behaviors that enable everyone to Be Big. LE

Judith H. Katz and Frederick A. Miller are coauthors of *Be BIG: Step Up, Step Out, and Be Bold* (Berrett-Koehler). Visit www.kjcg.com.

ACTION: Enable everyone to Be Big.



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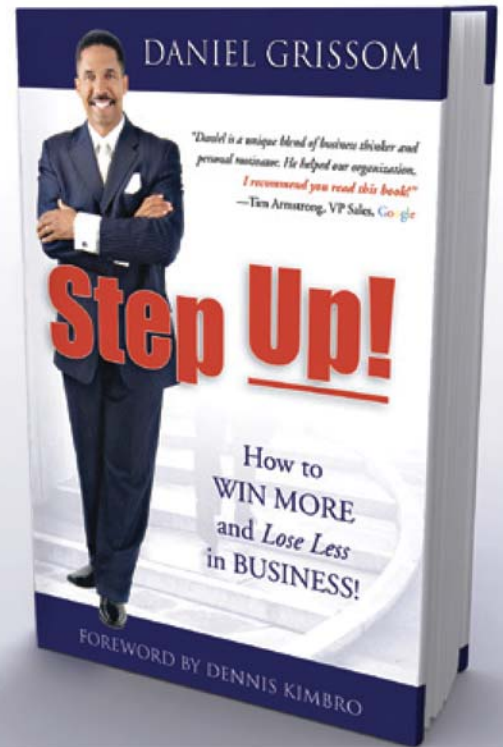
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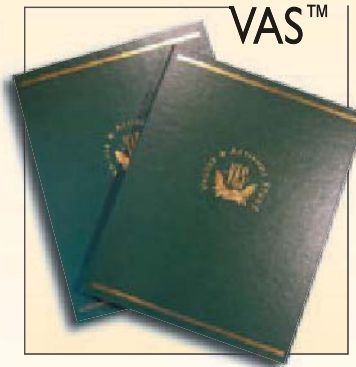
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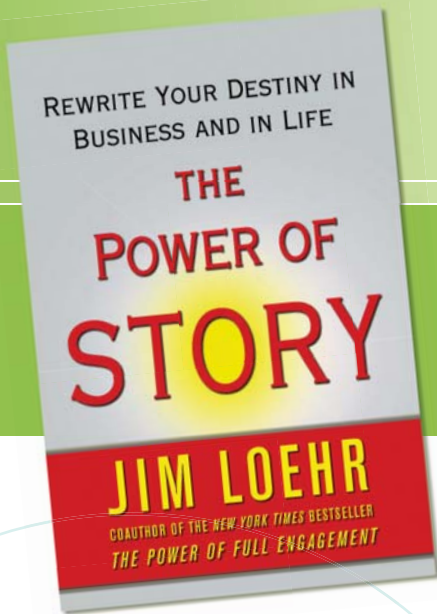
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The Leader in Energy Management Technology

Leading in Tough Times

Bear Stearns learns from Shackleton.



by Margot Morrell

WATCHING THE once-venerable investment bank, Bear Stearns, implode last March 15, I wondered, what would Bear's leaders say to their teams Monday morning? How would they rally their troops to preserve the remnants of their business? Facing employees whose company stock, and perhaps life savings, had been pulverized the prior week, what could the leaders say to comfort, inspire and motivate their teams?

Full accounts of that ugly weekend on Wall Street are yet to be written, but there exists an example of a leader who dealt with a similar disaster and successfully led his team through the grueling ordeal that ensued.

Shackleton Leadership

The year was 1915 and the businessman was Sir Ernest Shackleton. He and his crew of 27 had sailed for Antarctica on *Endurance* with the ambitious goal of making the "last great polar journey," the crossing of the coldest, driest, windiest continent on earth. They never got there. Instead, within sight of the intended base at Vahsel Bay, a summer storm blew up. When the clouds cleared, the ship was frozen in a sea of ice, "like an almond in a chocolate bar."

For weeks, Shackleton and his crew struggled to free the ship from the death grip of the ice but, as the days grew shorter and temperatures ever colder, Shackleton was forced to confront the dreaded conclusion, they were trapped. Forty years later, Alexander Macklin, the ship's surgeon, recalled how his boss dealt with the situation, "At this time, Shackleton showed one of his sparks of real greatness. He called us all together and told us simply and calmly, we must winter in the pack; explained its dangers and possibilities, never lost his optimism and set about preparing for winter."

This telling vignette encapsulates Shackleton's leadership style. He called everyone together, so they would all hear the same message directly from him, as a unit. His goal

may have been to cut down on potential misunderstandings and eliminate watercooler-style chatter.

In explaining the situation "simply and calmly" he modeled the attitude he wanted his team to assume. And they did. No matter what difficulties arose, there was never any panic or despair among his team. To a remarkable extent, they adopted his matter-of-fact response towards the enormous challenges they faced.

As best he could he "explained" the "dangers and possibilities" they faced. He never sugarcoated anything, preferring to deal in the facts in so far as he knew them. Though he once commented that as a leader, "You often have to hide from them not only the truth, but your feelings about the truth. You may know that the facts are dead against



you, but you mustn't say so." Maintaining a positive attitude trumped all other considerations in his book and, in fact, ultimately provided the slender margin that saw them through. In his account of the expedition he wrote, "Optimism is true moral courage."

Practical Goals

To keep up team morale, Shackleton established practical and realistic goals. In this instance, with winter setting in, he had them rearrange the ship's living quarters so they would be warmer and more comfortable during the colder weather. The crew took pride in their efforts and delighted in coming up with names for their small cabins that reflected the occupants' backgrounds and interests.

In early May the sun disappeared below the horizon and for three months it was pitch dark 24 hours a day. To boost their spirits, Shackleton

encouraged his team to have sing-alongs, theatricals and dog-sled races. They celebrated birthdays with "mail." Birthday cards were delivered to the celebrant and the group roared with laughter as the recipient read his cards aloud after dinner.

Winter turned to spring, the ice loosened up, and, once again, they hoped to break out of their frozen tomb. Then, a massive storm blew up from the south. Furious winds swirled and smashed the 6' thick ice-floes together—like freight trains colliding. The sound was deafening.

Inside the ship it was worse. Caught between the grinding floes, the ship was twisted by a vice-like grip. Planks groaned and cracked and snapped like toothpicks. The men were almost too busy to notice as they desperately tried to save the ship. The ice had split the rudder and wrested away the stern post. Water poured in below. *Endurance* was sinking.

Shackleton gave the order—abandon ship. So there they were, 28 men on a melting ice-floe, hundreds of miles from land, with no hope of rescue, no way to get in touch with the outside world, a handful of food supplies and three small life boats. Only one thing stood between them and certain death. Their leader's determination that they would all survive—and they did.

If We All Work Together

Once again, he called them all together. Reginald James, physicist on the expedition, recounted, "There was nothing in the nature of a set speech. He spoke to us in a group, telling us that he intended to march the party across the land to the west; that the distance was about 200 miles and that he thought we ought to manage 5 miles a day and that if we all worked together it could be done."

Meteorologist, Leonard Hussey, recalled the speech as "simple, moving, optimistic and highly effective."

The expedition's low point came three weeks later when the wreckage of the ship sank beneath the ice. Thomas Orde-Lees, motor-expert and storekeeper, described the scene, "It gave one a sickening sensation to see it, for mastless and useless as she has been she yet formed a welcome landmark and has always seemed to link us with civilization. Without her our destitution seems more acute, our isolation more complete." Years later, Shackleton confided that it was the saddest moment of his life.

He was standing slightly apart from

the rest on a small hillock of ice but when the ship finally sank, he turned around and seeing the worried faces of his men, said to them, "So now we'll go home." And in that one short sentence, he reframed the situation, gave them a goal and a vision of a positive outcome, and conveyed to them his own optimism.

Over the next five months, the group faced boredom and a harrowing escape from the ice as their floe reached the pounding waves of the open ocean. They spent a week cramped together in the small lifeboats—cold, soaked to the skin, hungry, sleep-deprived, surrounded by a pod of killer whales on one awful night, and, worst of all, thirsty.

Slowly they made their way to a desolate island of rock and snow—hardly an improvement on the ice-floe.

With no alternative available, Shackleton set out with five companions in the best of the boats, the 22-foot James Caird. Their goal was South Georgia, a tiny pinprick of land, 800 miles away through the roughest seas in the world.

Despite an ice-storm, a 60-foot rogue wave and a hurricane, they made it. But they landed on the wrong side of the island—the uninhabited southwest coast.

They took a week to recover and then, on May 19, 1916, about 3 a.m., by the light of a full moon, Shackleton and two companions set off on the last leg of this incredible journey. With only a chart of the coastline to guide them, they made their way across 30 miles of glaciers and snow-covered mountain peaks. They did it in just 36 hours.

Within hours they recovered the three men left on the other side of the island. It then took four months, four ships, and four attempts but Shackleton managed to get back to Elephant Island and rescue all of his men.

What Can We Do?

He never achieved his goal of crossing Antarctica. Instead he became a legend and left for the ages an example of what any of us can do when we put our minds to it.

Today we don't know what lies ahead for Bear Stearns but through Shackleton's tremendous story, we know if they work together and maintain a positive attitude, they can accomplish miracles. LE

Margot Morrell is co-author of Shackleton's Way—Leadership Lessons from the Great Antarctic Explorer. Call 212-446-6720 or email shacksway@gmail.com.

ACTION: Go from Bear to Bull by working as a team.

Liberating Passion

Behave your way to a vision.



by Omar Khan

PASSION ABOUNDS WHEN we experience life with openness, engage our friends, enjoy hobbies, and try new things—and yet it seems sadly absent in many cultures. Why should work sap us of vitality and engagement?

Many companies are passion killers. They hire passionate people, but within months, extinguish the quality that attracted them. To liberate passion, ask: what is the "technical" dimension and what is the "adaptive" opportunity? The first suggests the tools needed (hardware, software, technology, processes, templates, procedures). The latter points to how you must adapt and adjust behaviors to address the problem. Leadership passion flows when the technical elements function as stepping stones.

The quality and authenticity of relationships and conversations matters most. Improve the quality of the relationships, and caliber of the conversations, and you'll enlarge results.

Nine Passion Liberators

Here are nine ways to liberate passion:

1. Intimacy. Ask questions to probe, to understand, to articulate, and to listen. You'll deepen your insight and rapport with others. Equally, let others in, help them to gain meaningful and helpful insights into your own values, emotions, and work style. Authentic relationships liberate passion, productive energy, purposeful debate, and powerful connection.

2. The right bull's eye. Pick the right target for your business to deliver profits, grow share, and strengthen brand. Ensure your target delivers some larger goal. Finding the place where corporate passion, potential profits, and a company's core competencies come together helps produce a shared, strategic vision. With everyone aligned, challenged and recognized consistently in synch with it, passion naturally flows!

3. Radical conversations. Identify three radical conversations that could be game-changing. Get to the root of

such issues in a candid, empathic manner by looking at the larger shared aim and committing to it together. Such conversations achieve alignment, commitment, and breakthroughs.

4. Protecting possibility. Face the facts while retaining a sense of possibility. Recognizing limits in a positive fashion enables you to transcend those limits, transform them, or evolve beyond them. By framing challenges in broader, more varied ways, you may convert a seeming barrier into a bridge.

5. Provoking the future. Determine which past strategies to keep and which ones to transcend by bypassing limiting assumptions and paradigms. Co-create new options with key allies and stakeholders to formulate and realize a future that generates exceptional value.

6. Claiming accountability. Encourage all to take responsibility for building a desired culture. Discerning, real-time appreciation leads people to do more of a good thing.

7. Living vitality. Find ways to stimulate your senses, exercise your body, learn new things, unleash your creativity, solve problems, love and care for people, listen empathically, and concentrate on the most important tasks at optimal times.

8. Maximizing potential. Create contexts for expression of potential. Commit to the process by which you produce results. Know the talent profiles of teammates and develop their talents.

9. Coaching growth. Productive behavioral change begins with "doing" things in a better and more effective way, seeking synergy between "doing" and "being" for passion and performance.



Making It Happen

Make passion happen in four ways:

1. Make passion liberators a way of life. They foster joy, better results, richer relationships, and amplified brand.

2. Create a coaching and leadership culture. Create a dashboard for your team and pick the passion liberators you most need to work on together.

3. Hype it as it happens. To liberate passion, make a change, then hype it!

4. Remember that passion is natural. With the right relationships and targets, you'll challenge and support each other to behave your way to your vision. LE

Omar Khan is founder and senior partner of Sensei International and author of Liberating Passion: How the World's Best Global Leaders Produce Winning Results (Wiley). Visit www.sensei-international.com.

ACTION: Liberate passion on your team.

Combat Tribalism

Collaborate to help others succeed.



by Jackie and Kevin Freiberg

DO YOU EVER THINK ABOUT THE impact that your decisions and actions have on others? Decisions made in one area have implications for people in other areas. Yet, because cause and effect are often separated by time and space, we don't always see the connections between what we do and its impact on others. When we view the organization as divisible and compartmentalized, tribalism happens—and myopia sets in. We then see our area and coworkers as “special” and alienate people from other tribes whom, paradoxically, we rely on to get things done.

Tribalism is the enemy of teamwork, diversity and collaboration—and it is exacerbated by the fact that our needs, desires, and aspirations often conflict with one another because we compete for resources. We allow ourselves to be teased into a *me vs. you* or *us vs. them* mentality. We lose sight of the whole.

Whether it is departmental, hierarchical, generational, geographical, categorical, or gender-specific, we form tribes daily: old-timers resent Gen X and Y for being fickle and disloyal; young people show frustration when they can't dislodge old-timers from their dinosaur ways; home-grown resent experienced new hires because they create speed bumps on the road to upward mobility; new hires don't like being considered green; creatives resent the suits, and the suits can't tolerate people who think *business casual* means cargo shorts and flip-flops.

What forms of tribalism exist in your business? Where does seamlessness break down internally: salaried vs. hourly workers, white collar vs. blue collar, home office vs. the field, engineering vs. marketing, finance vs. sales, manufacturing vs. distribution, or legal vs. everyone.

The competitive field on which you are playing the game calls for passion,

innovation, speed, teamwork, and collaboration. People who know how to work across departmental boundaries are extremely valuable. Is this what you bring to the table? Start by asking: Do I suffer from myopia? Am I acting tribalistic? What do I get defensive about protecting? Do I patrol the fences, guarding the perimeter? What do I do to bog people down? How is tribalism damaging me and my organization? Do I reach across boundaries to bring key players together to make something good happen?

Take these three steps:

1. Choose your opponents well.

As organizations are made up of more specialists, the indispensable players will be those who can bring diverse groups together in a spirit of cooperation to get things done. If we fail to jettison tribalism, silo-building, turf protection and finger pointing, our organizations could implode. Tribalism weakens our ability to compete. While we blame each other for things that don't get done or could have been done better, the competition charges on. So, all of us have to ask, Who is the real opponent?

Is the *real* opponent in here or out there? Great teams are fluid. Team members quickly improvise and make adjustments to cover for a player who drops the ball. In the heat of fast-paced competition there is no time for “*that's not my job*” or “*who's to blame*.” They focus on doing whatever it takes to win the game. They elevate cooperation and collaboration to an art form.

Great companies are quick and nimble because they act like small companies to get the job done. In a small company no one is too big or too important to roll up their sleeves and get their hands dirty. In a small company there is nowhere to hide. A small company keeps its eye on its opponents because it can't afford not to. It can't afford dead people working; it needs everyone firing on all cylinders. No organization can afford tribalism's dysfunction. The *us vs. them* syndrome will destroy a company from the inside out.

2. Get some perspective.

Perspective is the capacity to see things as they are and to accurately evaluate their importance in the overall scheme of things. Have you ever failed to see something accurately and placed its relative importance too high? Perspective is relative. Sit where others sit and you will change your perspective. Change your perspective and you might find that you empathize more and expect less.

Tribalism causes us to become insular. You can't think systemically and serve your coworkers unless you appreciate the work they do. You may feel that you have the toughest job—until you get some perspective.

Competition between lines of business does not serve the customer. You can't do service well *externally* until you learn how to do it well *internally*. The way you treat your coworkers

impacts the way they treat your customers. The way they treat your customers impacts performance and job security.

3. Get in touch with your impact.

Think of the positive impact you could have if you had the guts to go to those who receive the output of your work and ask, *Why am I*

difficult to do business with? What headaches does our department create for your department? Overcome the urge to be defensive by rationalizing or justifying your behavior—no “*yeah-butting*.” This will kill the conversation. Instead, listen, probe for a deeper understanding of the issues, take notes, and then decide what you will change. This way, people will be more forthcoming with information. They'll be blown away with your courage and candor. Once the changes are under way, let people know what you're doing with the feedback they give you.

To banish tribalism, let go of your parochial perspectives and develop a systemic view. Ask yourself, *How will my decisions and actions affect people in other parts of the organization? How would I receive what I'm proposing?*

Assume that your colleagues are talking about people who work fluidly and seamlessly with each other and those who are always grinding gears with others. Your name comes up. What stories will your coworkers tell about you? Do you have a reputation for helping people succeed? LE

Dr. Kevin and Dr. Jackie Freiberg are speakers, thought leaders and authors of the best-seller NUTS!, GUTS! and BOOM! Visit www.freibergs.com or call 619-624-9691.

ACTION: Combat tribalism at your workplace.

Recession Repellant

Avoid three leadership errors.



by Steven Vannoy and Craig Ross

IT'S BAD OUT THERE. PEOPLE ARE SPENDING less. Debt is up, and confidence in the market is down. It's time to tighten the belt and be careful. It's time to commit to poor results, right?

What? That's crazy! Who would do such a thing? Yet, that's what most companies will do through the recession. They'll make three leadership errors, and sabotage their own best efforts to deliver a profit. Here's what you can do to help your company apply some recession repellent.

Error 1: They stall their momentum. Imagine entering a contest: The first team to push a car to an end-point wins. There are three cars: one car is rolling backward; one is sitting still; and one is rolling forward. Which car do you want to get behind?

You want to be behind the car rolling forward; your team *craves* momentum. Yet, leaders inadvertently sabotage momentum by their actions and words:

- "Times are tough," they tell their team. And guess what? The team acts like times are tough. Fear becomes the norm: Will we survive? Is my job secure? These leaders have just manifested their own tough times.

- Managers announce, "We're entering a downward cycle." They rub their forehead and grit their teeth. So "Disaster!" is what people hear and read in the body language. Thus, confidence seeps away. Questions are asked that leadership never hears.

- Some managers hide or ignore the bad news. But people read news, so rumors spread. What people feel is more powerful than what we tell them; rah-rah speeches are a waste.

You can apply recession repellent by taking three actions:

- 1) Each day, ask: "Why am I capable of leading now?" "What image do I want to project?" and "What can I do so my team can be at their best?"

- 2) Share the strengths and momentum the organization possesses.

- 3) Talk about what you want to see. **Error 2: Managers adopt a bunker mentality.** Now their troubles compound:

- Perfection is needed; but due to pervasive fear, mistakes increase. And management focuses on those failures—communicating: "You better lay low. Don't risk standing out!"

- Management analyzes where things are going wrong. Those they lead *can't* focus on solutions. Idea generation is stagnant. Everyone is trying to out-smart the problem, not create solutions.

- Firefighting becomes a survival measure, eliminating future vision. Résumé polishing begins and productivity plummets, cutting into margins.

Provide recession repellent by:

- 1) Paying attention to individual and collective focus. Ensure all eyes are on the target.

- 2) Analyzing where things are going well. This breeds a mindset of "we are capable." Keep celebrating.

- 3) Thinking long term. When issues arise, most managers use the "fix-it" approach, sending the message that we're also trying to fix the people.

Instead, take actions that resolve the issue and build stronger people and relationships.

Error 3: They think pressure warrants a command-and-control style. Things become desperate. Trust evaporates. It's every person for himself.

- Managers revert to a frantic telling and demanding mode—no time to listen to other people's ideas.

- Synergies between teams and individuals are gone. Ironically, people protect themselves—never seeing that if the company goes under, they lose.

- Resources needed to do jobs with high quality are taken away—so it's even tougher to get the job done.

Provide recession repellent by:

- 1) Generating greater ownership and accountability by asking: How did we succeed in the past? What aspects of our client relationships can we build upon? Where do we see momentum? How do we take advantage of this situation to better position ourselves?

- 2) Listening to the ideas.

- 3) Eliminating paralysis by analysis. Use the ideas to propel you forward.

Apply recession repellent in your next meeting. Prosperity is only one leadership action away. LE

Steven Vannoy and Craig Ross are principles of Pathways to Leadership. Visit www.pathwaystoleadership.com.

ACTION: Provide and apply recession repellent.



Shadow of Influence

It's an obligation of leadership.



by Larry E. Senn

FOLLOWING THE TRAGIC events of September 11, employees were looking keenly at the actions of their leaders to see how they'd respond.

Were they visible? Did they communicate? Did they show caring and concern? Were they living the values? We saw some leaders do well at inspiring and calming their people; and we also saw others that failed this *shadow test*.

Everyone who opts to be a leader has an obligation to be aware of the shadow they cast. People look up to those who have influence over them, and emulate some of their behaviors.

Who we are speaks so loudly that people don't hear what we say. It is not what we tell people—it is what they observe us doing that really counts.

Unfortunately, leaders tend to underestimate this influence. I learned this lesson a few years ago when I took my 18-month-old son, Logan, to a neighborhood park. When I went there with him a week earlier, the hinge on the entrance gate was bent a little, and I kicked it to straighten it out. When we returned to the park, the first thing Logan did was to kick the gate, which by then didn't need fixing. He continues to do it on every visit; my words to dissuade him don't help.

I first learned about the "shadow of the leader" when I did research as part of my doctoral dissertation 36 years ago. It was the first field study ever done on corporate culture, and one of the primary findings was that organizations tend to become shadows of both their current and past leaders. Indeed, ghosts of former leaders are embedded in the habits of some companies.

We find that the organization's profile is similar to the senior team's profile. If turf issues exist at the top, they will be alive and active. The same is true for trust, coaching, appreciation, stress, and other cultural traits.

What does that mean for each of us? Most leaders take accountability for their actions. That is how we got to be leaders. What we often don't take accountability for is the way "we show up" each and every day—our *being* as opposed to our *doing*. That means that

one of our highest obligations is to do our best each and every day to live the values we espouse. When we violate them, the impact is far greater than we imagine. If we complain, don't show enough appreciation, have low energy, are in a low mood, don't listen, or aren't respectful, we give permission to all those under us to do the same.

If we are collaborative, accountable and open to both listening and change, we will impact our teams in these ways as well. This is the shadow we cast. A heightened awareness of this obligation of leadership can help us monitor the impact we have on others.

The quality of thinking determines our behaviors, and we can monitor this by noticing our internal state or feelings. When we feel grateful, hopeful, optimistic, and resourceful, our quality of thinking is high, and we cast a positive and constructive shadow. When we feel critical, angry, and impatient, our shadow could do some damage.

We all have our bad days and low moods. As long as we know it, and know our thinking is less reliable, we can proceed with caution and minimize any damage. Leading in a low mood is like driving on an icy road—be careful and don't make sudden moves.

It helps to have a coach who reminds you of the shadow you're casting. I'm fortunate to have a built-in coach, my wife Bernadette, who for 26 years has influenced me in powerful but subtle ways, including by the shadow of influence she casts. Fortunately, more leaders are now open to coaching as a way to help them be their best.

Two other things that have helped me: First is remembering that I need to take care of myself to be at my best. If I take care of myself physically through exercise, diet and balance, and spiritually through prayer and reflection, I'm more aware of the impact I have, and that influences the shadow I cast.

Second is to be aware that when I feel that "it's all about me," I'm likely off base. I'm thinking, "The world's not treating me right! How am I doing, what's in it for me, why did that happen to me?" When I'm self-absorbed, I'm not at my best for myself or others. When I'm focused on things beyond myself, like making a difference for an employee or client, or being there for my children, I'm more likely to be at my best and mentally healthier.

How's your shadow these days? **LE**

Larry Senn is CEO of Senn-Delaney Leadership Consulting Group. Visit www.sdlcg.com or call 562-426-5400.

ACTION: What shadow are you casting?

Performance Engagement

Have regular conversations.



by Les Wallace and Jim Trinka

IF WE HAD A MAGIC PILL FOR ENGAGING employees, most of us would pay dearly to have it. The concepts of accountability, performance management, performance feedback, teamwork, and coaching are getting huge play. As achieving missions, profit, and productivity become harder to squeeze out of declining resources, we search for productivity solutions. While not the panacea in every situation, we suggest a concept that blends coaching and engagement: "performance engagement."

This goes beyond the standards for performance management. PE is the actions and behaviors of managers that cause an employee to commit to the performance that makes an organization successful—to become engaged.

For years, the concept of "employee satisfaction" has been old hat. Trying to please your employees as a tool for performance management doesn't work.

However, the work by the Gallup organization *First Break All The Rules* gives us a glimpse at the basics of management communication and behavior that enable employees to be successful and feel cared for as a valuable contributor. While this might not make every employee the happiest on a satisfaction scale, we now know that the human motivation to deliver on our work expectations requires much more than "happy-face" managers.

In its simplest forms, the Gallup research with numerous successful organizations and millions of employees over 25 years suggests that we focus on the following: clear expectations visited regularly, attention to the tools and workplace support employees need to be successful, recognition and praise, an opportunity to contribute ideas, and clear evidence that the organization cares about employee development. Gallup believes we can

measure all of this with the answers to only 12 questions.

If you accept this cursory look at the principles of engaging employees and being productive, what is the skill mix you need to deliver on the promise? Let's start with employee conversations. Performance engagement is not simply a matter of delivering orders or clear goals. You need to have regular conversations with your employees to show your commitment to maintain clear expectations, appreciation, and developmental support. You don't get that from most performance appraisals or annual formal feedback sessions.

Employee conversations draw upon the most crucial and basic management competency: the ability to talk with employees about the work in a manner that helps *them* be successful. All the skills of setting expectations and giving feedback won't move the performance consistently without our ability to feel comfortable with employee dialogue. And we must conduct that dialogue so that we consider our employees' success more important or at least equal to our own success. Employees want to know someone cares about their success. They want to know that their opinion counts. They recognize sincere and helpful conversations.

Blending the best of the coaching literature with the best of employee engagement means that every conversation becomes less of a transaction and more of an accelerator of accomplishment. In its simplest

form, asking employees what they think, what they need to be more successful, and showing appreciation is what they are looking for. In its more complex form, performance engagement competencies mean acknowledging the talent in everyone, encouraging growth and development for all, and finding opportunities for learning in the work everyone does every day.

As we bulk up our accountability, feedback, and teamwork skills, let's remember there is someone much like us on the other end who will appreciate a conversation demonstrating natural interest and responsiveness rather than plastic coaching or succession checklist. **LE**

Les Wallace, Ph.D., is president of Signature Resources. Jim Trinka, Ph.D., is Director, Technical Training and Development for the Federal Aviation Administration. They are frequent speakers and co-authors of *A Legacy of 21st Century Leadership*. Visit www.signatureresources.com.

ACTION: Boost performance this month.

Leader Strength

Make things simple and clear.



by Marcus Buckingham

THE MOTTO “OUR company’s greatest asset is our people!” is nice, but truth is, people aren’t your greatest asset, unless they’re in position to leverage their greatest strengths—those things they do well consistently and energetically.

Individuals and teams playing to their strengths outperform those who don’t in most business metrics. In fact, the single best predictor of a high-performing team is having the opportunity to do what they do best everyday. Teams who do massively outperform teams with people who don’t—they are more profitable, more productive, less likely to quit, and less likely to have accidents on the job.

Yet, only 12 percent of people in the workplace play to their strengths “most of the time.” In general, society is fascinated by weaknesses (most employee reviews bear this out), and we take strengths for granted.

At a time when leaders are trying to do more with fewer people, they need to engage each person’s strengths, and do it at scale. The *strengths movement* isn’t about making people happier—it’s about making organizations more productive. It’s about yield. The best companies are made up of great teams. And those teams have individuals who know their strengths, take them seriously, and offer them up to the organization.

As your organization becomes “strengths-based,” people voluntarily offer up their strengths and become better, happier and more productive at work. The key is to customize a learning approach that best suits your culture, learning style, goals and economics. I suggest taking four steps: **1. Create a needs assessment** for your organization, analyzing how HR and other departments can best align processes and initiatives (hiring, retention, employee development, awards, and compensation) around employee strengths. **2. Craft a pilot program** that enables key personnel or team leaders to trial the strengths training and

understand how best to tap into the potential of co-workers and employees and leverage each member’s strengths. **3. Select the strengths learning modalities** that best suit your culture, time, and goals. And **4. Evaluate the success of the program**, through qualitative feedback and engagement data, matched with other metrics of individual and team performance. Measure the change in behavior for participants, then refine your strengths-based strategy based on the results.

You Need a System

The most successful teams are made up of individuals who spend most of their workdays inquisitive, focused, and fulfilled. The most critical step toward becoming a strengths-based



organization is to find out what stops people from using their strengths, and to overcome these barriers.

Take responsibility for the things you need to do to improve performance. Identify and link activities to strengths while changing your actions and routines. The first steps in our system deal with identifying your mindset, and strengths and weaknesses, by creating vivid, emotionally evocative *Strength Statements*. The next steps focus on using your strengths to do your job more efficiently, limiting time involved in activities that weaken you. The final steps center on communicating with peers and managers, and developing strategies to exploit team strengths.

People who identify their strengths can leverage them to make a greater contribution to the team, company, and customers. Employees who are more engaged, fulfilled and effective, leading to lower turnover. Open dialogue between employees and managers

yields higher trust. Career development should align employee strengths with corporate goals. On efficient, cohesive teams, members are more focused and accountable, and managers have a better perspective on hiring needs, and an ability to attract better talent.

In a coaching culture, employees take more responsibility for their development and performance. Strengths coaching is focused on developing and leveraging people’s unique strengths to increase the impact they have. Coaching should be designed to engage each person in becoming a powerful and effective contributor by setting specific goals and creating action plans to help realize their unique potential.

Make Things Simple and Clear

When I dip into corporate curricula on leadership, I find a mind-numbing list of skills that aspiring leaders must master—from motivating to communicating, counseling and managing conflict. We have vastly overcomplicated the role of a leader, and that’s a shame, because those disciplines, while important, don’t get to the heart of leadership.

The few leaders who truly excel are compelled by the future. There’s something unique and different that makes a leader, and it’s not about creativity, courage, or integrity. You can have those desirable attributes and still fail to be a great leader. A leader’s job is to rally people toward a better future. Leaders can’t help but change the present, because the present isn’t good enough. They succeed only when they find a way to make people excited by and confident in what comes next.

Once leaders see a better future, every other consideration becomes irrelevant. With leaders, the future calls to them in a voice they can’t drown out. The future is more real than the present—and it compels them to act, to turn anxiety into confidence. In every culture, people fear the future. The future is unstable, unknown, and potentially dangerous. So, leaders must engage our fear of the unknown and turn it into spiritedness. And the most effective way to turn fear into confidence is to be clear—to define the future in such vivid terms that we can see where we are headed. Clarity is the antidote to anxiety; hence, clarity is the preoccupation of the effective leader.

Leaders can be wrong, but they can’t be confusing. If we are going to follow you into the future, we need to know precisely who we are trying to please. It’s a scary thing to please all of the people all of the time. So to calm

our fear, we need you to narrow our focus. Tell us who will be judging our success. When you do this with clarity, you give us confidence in our judgment, decisions, and ability to know whether we have fulfilled our mission.

Leaders often come up with four or five core strengths. We hear: "Our strengths are our people, productivity, creativity, and efficiency." As a leader, your job is to make people more confident about the future. You need to tell them: why we're going to win against our competitors; how we will overcome the obstacles in our path. The more clearly you answer these questions, the more confident we will be, and the more resilient, persistent, and creative. Find the edge—one edge—and talk about it all the time. The more you talk about it, the more it becomes true.

Identify the one score that would track your progress toward a better future: number of engaged employees—and use a few simple questions to measure it. A score is clear and actionable. Clarity is lost if you look at 15 different metrics. It's a terrible leadership failure to tell your people that *all* measurements are important. When followers are presented with numerous scores, they get confused. The job of a leader is to say, "Of all the things we measure, this is the most important."

Of course, a leader must take action, as action leads to impact. Actions are clear. If you, the leader, can highlight a few selected actions, your followers won't have to infer the future from pronouncements about "core values" or "mission statements." We will simply look to see what actions you take and base our faith and confidence on these.

We respond best to two types of action: symbolic action and systemic action. Symbolic action is a representation of what the future can look like: it grabs our attention and gives us something new and vivid on which to focus. Systemic action disrupts routines and changes behavior. People realize that the world will be different because they're doing different things. The future becomes clearer, and out of clarity comes confidence. Effective leaders don't have to be passionate, charming, or brilliant. What they must be is clear. Show us clearly who we should serve, where our core strength lies, which score we should focus on and which actions we must take, and we'll reward you by working our hearts out to make a better future. LE

Marcus Buckingham is the author of *Go Put Your Strengths to Work*. Visit www.marcusbuckingham.com.

ACTION: Make things simple and clear.

Focus LD on HPs

Equifirst accelerates learning.



by Kim Lamoureux

EQUIFIRST, A NATIONAL lender, accelerated learning to maximize the strengths and potential of its managers globally. Their commitment to leadership development (LD) was evident when they created a position (later a department) that focused solely on talent management. They defined tailored leadership competencies and designed an online learning solution, and performance management process.

Growing organically and maximizing the potential of their talent was challenging. Many managers had no formal training—most learning and development (L&D) occurred on the job. They wanted a solution that could provide practical and tactical training for their leaders.

Another area of focus was retention and engagement. Fearing that their best performers would leave, the company decided to develop and engage these high-performers.

To address these challenges, EquiFirst hired a director of L&D; created a new L&D function that focused on LD, e-learning, and business acumen learning for all associates; developed a learning culture; created a consistent performance management process; and designed and implemented a successful LD program.

EquiFirst's CEO was committed to associate development and performance. He and the VP of HR created a new L&D department focused on LD. The CEO and leadership team helped set expectations and instill commitment. The CEO endorsed the kick-off courses, promoted programs, created a website devoted to LD, and participated in the leadership programs.

Tailored Leadership Competencies

The director of L&D identified five core-to-the-culture competencies:

1. Embracing corporate values: Manager seeks to remain ethical in every decision and deal, delivering real solutions the right way. Manager works to instill an entrepreneurial spirit built

on standards of excellence and integrity.

The other four competencies were created based on EquiFirst's *Statement of Values* and skills sets necessary for leadership roles, bench, and pipeline.

2. Committed to customer service: Manager ensures the customer perspective is at the forefront of all decisions and initiatives. Manager invests in customer-facing activities to understand their needs and stretches to raise the bar on service standards. Managers instill a customer focus and maintain a sense of urgency, commitment to integrity, and passion for service.

3. Leading people to excel: Manager overcomes silos to achieve greater results through collaboration. Manager seeks to recruit and grow great talent by addressing mediocre performance, and selecting and developing top performers. Manager creates positive energy in the face of challenges and clearly translates strategies into specific goals, tactics, action plans and deliverables.

4. Personal accountability to team: Manager builds partnerships with groups, peers and senior management. Manager fosters high accountability through fair but hard-hitting performance management

processes, always asking, "What can I do right now to make a difference? How can I contribute to team success?" Manager makes timely decisions and moves quickly to eliminate roadblocks, while generating pragmatic, sensible, and simple solutions to complex problems.

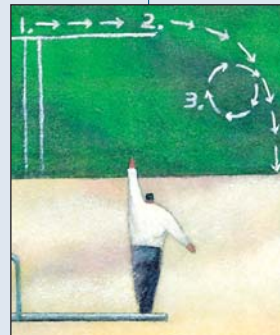
5. Innovation that matters: Manager seeks best ways to integrate products, processes, or technology to drive performance and results. Manager clearly aligns corporate initiatives with business goals, projects with resources, and creates innovative plans to drive short-term and long-term bottom-line results.

EquiFirst uses five best practices in its LD: 1) engaging leaders in developing and positioning of future leaders; 2) defining key leadership competencies; 3) enabling leaders to acquire, apply and sustain knowledge; 4) integrating LD activities with performance management; and 5) creating relevant training programs and developmental assignments for its leaders.

EquiFirst leaders are developing their capabilities and becoming a high-performing organization. LE

Kim Lamoureux is principal analyst at Bersin & Assoc. Visit www.bersin.com or call 510-654-8500.

ACTION: Define tailored leadership competencies.



Reinvigorate

Build on common ground.



by Rosabeth Moss Kanter

MANY EXECUTIVES fumble innovation because their structures, controls, and incentives work against out-of-the-box thinking. The search for new ideas must go broad and deep. Traditional controls and structures don't work well with innovation teams. Innovators must be connected to the mainstream business. Isolating them leads to tension and aborted implementation.

Every managerial generation rediscovers the need for innovation to drive growth but then grand declarations about innovation are followed by mediocre execution that produces anemic results, and innovation groups are quietly disbanded in cost-cutting.

Leaders seem doomed to repeat the past when it comes to innovation, and so we see classic traps repeated: burying innovation teams under bureaucracy, treating innovators as special citizens, and hiring leaders who lack the relationship and communications skills needed to foster innovation.

Here are four lessons:

1. Look for small innovations, not just blockbusters. Big hits are rare, but many leaders swing for the fences with each new innovation. This marginalizes people who work on smaller projects, and results in projects modeled on existing market successes—that is, not that innovative. New concepts often spring from smaller beginnings.

2. Create processes and controls. The innovation process is inherently uncertain, so companies must develop new ways of tracking progress. Rewarding a manager who “sticks to plan” does not encourage something new.

3. Select the right leadership. Pick leaders who can communicate inside and outside the organization to foster a collaborative culture that emphasizes flexibility and cross-functional relationships. If leaders create two classes of corporate citizens—those who have all the fun and those who make all the money—they build a brick wall that separates the two sides of the building. Time is wasted battling each other and even stealing each others' customers.

4. Consider all three levels of the innovation pyramid. The lion's share of the investment underwrites a few big bets at the top: clear directions for the future. The second level is a portfolio of promising mid-range ideas driven by designated teams. At the bottom of the pyramid are early-stage ideas or incremental innovations. Influence flows from top to bottom—the big bets encourage smaller wins heading in the same direction. But success can also flow from the bottom to the top. You can use the pyramid to gauge efforts, recalibrate as ideas prove their value, and ensure activity at all levels.

Managers at innovative companies learn past innovation lessons: they strike the right balance between getting the highest returns from current activities and investing in new growth. They create flexibility, foster relationships, set high standards and apply them to all functions, and they generate productive innovation.

Revitalizing America

Once widely admired as the land of opportunity, America could be closing its doors—unless we create a positive agenda to renew the American spirit. We've lost our way as a beacon to the world and as a can-do nation. We see political and religious attacks that stifle science and innovation; growing unease and pressure at work; few companies recognizing obligations to their communities and shareholders; mistrust and contempt of government; a prevailing political ideology that is xenophobic and isolationist; and splitting Americans into antagonistic ideological camps.

What's needed is an agenda built on core American principles that widens prosperity by spreading more innovation and the opportunity to participate in the “white coat” economy and life sciences revolution of the 21st century.

We need to: 1) write a new social contract based on real family values, creating fair and flexible workplaces that are productive while also attentive to the needs of families and women; 2) motivate values-based capitalism and drive companies to contribute to solving social and environmental problems while also providing employees stimulating and satisfying work; 3) restore trust by committing to government as an instrument of public interest; 4) harness the power of Americans to act as citizen diplomats, spreading greater understanding of our values and help-

ing countries to empower their people and build their economies; and 5) develop an ethos of a caring community and a program of national service to unite people around common principles.

We entered this century with great hope. Now, the place of America in the world has changed dramatically.

I wrote *America the Principled* to offer my perspective on those enduring values that have fueled America's prosperity and role in the world, while also providing ideas for how we could restore our strengths and engage with the world in a positive way. We've let the rhetoric of fear overcome our self-confidence. I'd like to tone down the partisan heat, get back to values that unite us, and showcase those values.

Values-based capitalism starts with principles. It does not say that the only job of a business is to make money. We have a responsibility to live up to high standards and to use our products and services to improve the world.

Leading-edge companies set a higher standard, and they find that their values motivate employees, get them goodwill in

communities, and help them develop new products and services. We need to define a new kind of capitalism that in the minds of constituents is motivated by something other than pure greed.

We need leaders who send a positive message that is inclusive rather than divisive, that does not make people who disagree with them into enemies. Leaders must admit they are wrong from time to time; consistency is not a virtue if circumstances change. Admitting a mistake might get us out of difficult situations earlier.

Leaders have to live the values they espouse. They need to set bold goals and provide resources for people to reach those goals. Leaders should call us to a higher purpose, demand sacrifices, make it clear why we stand together.

It takes leaders of character—who exhibit humility rather than arrogance—to guide companies. And it takes the right checks and balances, including abundant opportunities for dialogue, dissent, transparency, disclosure, and discussion—the best ways to steer business behavior toward high standards and high performance. **LE**

Rosabeth Moss Kanter is the Ernest L. Arbuckle Professor at Harvard Business School and author of America the Principled (Crown Business/Randomhouse). Material used in this article is taken with permission from Harvard Business School Working Knowledge. Visit www.randomhouse.com.

ACTION: Reinvigorate your team and culture.



The Oil Crisis

A litmus test for LD?



by E. Ted Prince

THE PRICE OF OIL continues to rise with far-reaching ramifications for global prices, supply chains, and business models. The oil crisis is not only affecting the price of energy; it is also affecting the prices of all goods that are sensitive to the price of energy in any form. It is also impacting the price of food, with global political and economic consequences. Many business models will not survive these developments as we are seeing now in the aviation business. The oil crisis is a visible expression of what we in leadership development refer to as “disruptive change”.

Leadership development has as one of its aims the development of people who can respond constructively and creatively to disruptive change. But the same issue also applies to them. Will LD and HR executives be able to supply leadership in this situation? If so, what form should it take? This important issue can serve as a template for the role of HR and LD, and for executives generally, when confronted with any disruptive change.

My aim is to identify some actions that HR and LD can take to provide leadership in the oil crisis—and to point out how this can be used as a template for other disruptive changes and how HR and LD can apply lessons from the oil crisis to any crisis. You can improve your own visibility, credibility, and contribution to solving the company’s business challenges.

Leadership Challenge of Disruption

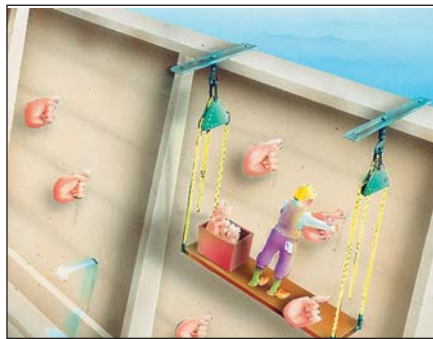
Disruptive environments disrupt business models, thus disrupting the ways that companies create value. Old ways of creating value lose currency. The challenge is to find new ways. This requires business acumen. We define “business acumen” as the ability to create commercial value. In such environments there is a premium for leaders who create commercial value who possess high business acumen.

Current leadership approaches do not identify or measure business acumen. They tend to be focused on iden-

tifying leaders who can lead well *within* a given business model. *Business acumen* is not the same as creativity or intelligence. “Business acumen” is its own creature and independent of other competencies which are identified and measured in conventional leadership assessments. Identify leaders whose business acumen competency has not been encompassed within traditional leadership models.

- Can the leader develop business models that work in a new climate?
- That lead to new ways of creating and sustaining shareholder value?
- That innovate profitably, not just consume capital over the long term?
- That work within different cost and value paradigms?

If leaders can’t do this, and if HR and LD don’t apply models that can



help them identify such leaders, their relevance to responding productively to disruptive changes will be in doubt.

Address Human Capital Challenges

Companies need to identify leaders such as these as a high priority in order to bring human capital solutions to the oil crisis. Ultimately any disruptive environment is a human capital crisis. The crisis will eventually be addressed and solved. The issue is who will address and solve it most rapidly and in the best manner. This will occur through having leaders who, among all the other qualities needed to lead successfully, must also possess high business acumen. This is the challenge for leaders and their HR and LD executives.

Explore three channels:

1. **Ask HR and LD to develop an *oil-focused human capital action plan based on implications of the oil crisis.*** In the plan, cover selection, recruitment, onboarding, development, and

assessment. Contrast what is happening at present and the areas that need to be changed to meet the challenges.

2. **Improve your people’s capability to respond to the oil crisis by developing and implementing a business acumen assessment and development program for managers and executives.**

The program should focus on assessment of business acumen and on its development to prepare managers and leaders for the new financial and value challenges posed by the oil crisis.

3. **Develop new *oil-focused succession plans and planning.*** Stress capabilities that will enhance your ability to address the crisis and choose those managers best suited to confront these issues. We also suggest :

- Prepare an HR impact statement
- Redesign recruitment criteria for new hires and promotions
- Redesign onboarding programs
- Run a simulation on one aspect of the oil crisis
- Integrate acumen approaches with oil issues into LD programs
- Organize an oil crisis workshop
- Develop business acumen courses in corporate universities aimed at oil crisis and addressing it creatively
- Organize an “oil literacy” seminar for high potentials and other leaders
- Establish a human capital crisis team to address the oil crisis issue
- Redesign structures to enhance capability to deal with the crisis
- Prepare recommendations for changes to TM to address crisis
- Hire people with an understanding of oil industry in certain key positions.

Template for Disruptive Change

This issue is not only about the oil crisis—we will soon face more crises whose nature will be unpredictable. All we can do is to prepare and anticipate that crises incorporate challenges that require leaders with exceptional business acumen, independent of their other leadership qualities. So leadership developers need to address the issue of how these challenges will also be addressed and faced.

Answer three questions: Does the leadership template cope with disruptive change? Can the template lead to higher shareholder value? Does it have formal ways to assess the financial and value creation impact of leaders in measuring response to disruptive change?

Those involved in LD must prepare people for any crisis. LE

E. Ted Prince is Founder and CEO of Perth Leadership Institute. Visit www.perthleadership.org.

ACTION: Prepare your people for crises.

Leader Agility

It's what sustains success.



by Kevin Cashman

ONE OF THE MOST clever and catchy pieces of career advice I've heard was uttered by advertising genius Bruce Barton, who invented Betty Crocker and gave General Motors and General Electric their names. He told leaders: "When you're through changing, you're though."

Indeed, the reality of leadership and career development is "change or die."

The entire c-suite community owes Ann Howard and her late husband Doug Bray thanks for the groundbreaking studies they conducted on AT&T's behalf. Their research found that pre-selected "high potentials" were often outpaced by lower potential employees if the latter had the benefit of more development-oriented roles or managers teaching them to adroitly overcome career obstacles.

Recently, research by Ken Brousseau and Rikard Larsson of Decision Dynamics and Gary Hourihan of Korn/Ferry International found that successful executives evolve their decision-making styles through their careers in a predictable pattern—from decisive to flexible to hierarchic to integrative. When workers try to leap to the head of the class without these intermediary steps or resist new learning in favor of stubborn old habits, they stall their careers. Many skills demanded of top leaders are the opposite of those valued early in their careers.

Today, agility is key to succeeding as a leader. Business is more like a circus than a quiz bowl. Raw IQ contributes little if you can't embrace and operate in the gray zone that comes from other people's ideas. We need *learning agility*, the set of interrelated talents that help people dexterously toggle mental, interpersonal, and results-focused approaches toward accomplishment and advancement. Leadership agility is one of the most powerful assets any leader can possess—and one of the hardest to master.

Executives repeatedly place change at the top of their list of challenges. Problems at the top are more multifaceted and ambiguous. The solutions

aren't always familiar or formulaic. Moving from senior manager to VP requires you to keep growing, learning, and adapting to demands.

It's like rock-climbing. To get to the top, you need to look up regularly. Your mind, body and emotions must be attuned to the next challenge of the terrain—then the next. The approach must alter according to the needs of each danger and each opportunity ahead. As you progress, the terrain is less worn and weathered. It feels different from when you started and requires you to flex and stretch different muscles in new ways.

To cultivate a productive leadership culture, recognize the importance of learning agility. Michael Lombardo and his team at Lominger International proved that agile learning is an important factor in identifying and selecting any candidate, regardless of gender, seniority or position. You need to consider two types of talent when hiring: those apparent, unchanging qualities that serve junior managers immediately and over time, and those that don't emerge until a candidate has been dealt a few wildcards. Examples of stretch assignments meant to bring about growth through change include having the employee start projects from square one, fix something in need of repair, take assignments out of one's home country, switch from line to staff or vice versa, take big leaps in terms of scope or scale and get exposure to handling varying projects.

Agility: Both Skill and Strategy
Leaders who recognize the importance of this issue know that agility underlies more than just the development and success of their talent—it can be a powerful basis for strategy and competitive advantage.

Toyota's enviable product development is a testament to the transformational power of orchestrating agile systems of people and processes.

Departments in the Japanese automaker take individual responsibility for managing and improving functional areas like the power train, electronics or chassis. However, by no means are they left in their silos. Instead, they benefit

from a customized, concurrent development timeline that incorporates simultaneous product and manufacturing design, early systems integration and continual coordination and testing. Beyond ensuring the elements of the vehicle are top quality and fit together, Toyota's intensive approach enables it to run parallel-path development, more strategically weigh design and engineering trade-offs, and capitalize on new opportunities with flexibility.

As opposed to a process reactively based on compliance, Toyota's quality-centered approach increases durability and reliability, saving product and warranty costs that can instead be put towards innovation. In contrast to many carmakers sweating out the pressure to make more efficient, environmentally friendly vehicles, Toyota had the agile resources and mindset in the 1990s to make a long-range investment in hybrid technology. Their forward thinking experimentation brought about the Prius, winner of the Intelli-Choice award.

This structure and development process are just two areas of a strategy of agility. Anchoring them are crucial career and leadership development systems arming engineers with wide-ranging experiences and preparing them to navigate change effectively. These learning and people systems provide the greatest potential to leverage change.

Agility needs to be experienced from one level to another, and leaders-in-development need to exercise agility in multiple contexts, gaining exposure to different experiences and patterns of work that can help them effectively find their way in future situations. Some individuals need practice on mental agility, expanding their capacity for strategic and creative thinking. Others need to be placed into results-driven environments, where their success is dependent on their ability to produce. People agility and change agility comprise the biggest developmental needs.

Many leaders have the integrative ability to weave together the disjointed, to craft novel solutions, and to make good decisions on the spot, even without complete data. Agility is a key to vibrant growth and to true leadership. **LE**

Kevin Cashman, leader of the Coaching & Effectiveness Group at Korn/Ferry, is author of Leadership From the Inside Out and founder of LeaderSource, a Korn/Ferry Co. E-mail kevincashman@leadersource.com.

ACTION: Cultivate leadership agility.



This is how top leaders get extraordinary results!

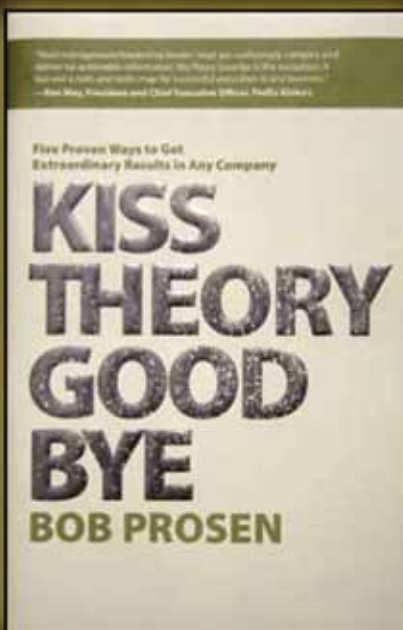
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How

Why



+



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Results

Stronger Leaders
Better Performance
Higher Profits
Effective Teams
Work/Life Balance

Why do these top leaders want to know how Bob Prosen thinks?

Maura Donahue
Dan T. Cathy
Peter Altabel
Garrett Boone
John Signorino
Peter Thonis
Skip Moore
Ka Cotter
Russ Labrasca

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President and Chief Operating Officer, Chick-fil-A, Inc.
President and CEO, Perot Systems
Chairman, The Container Store
CEO and President, Chicken of the Sea International
Senior Vice President, Verizon
Managing Partner, Deloitte & Touche
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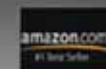


Bob is recognized as the business expert who helped such companies as AT&T, NCR, Hitachi Data Systems, Sabre, and Sprint achieve unprecedented financial and operational success. He has held posts ranging from Senior Vice President and Managing Partner to Chief Operating Officer.

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