GDS

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Passion
and Purpose

Authentic
Leaders

Learn the Art of
Collaboration

Accepting Feedback
Take Three Actions

Howard M. Guttman
Leadership Consultant

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

LEADERSHIP Excellence

Warren Bennis's

Make a Splash

Like these wild horses, leaders of charisma and character make a splash in the streams they cross. Their exhilaration is contagious, their spirit indomitable, their soul joyous, as they stretch their muscles, exercise their hearts and minds, make tracks, and leap gaps.

E · D · I · T · O · R' S N · O · T · E

ABC Template and Tests

Use these to develop authentic leaders.

by Ken Shelton

WHO NEEDS LEADERSHIP development (LD)? All who aspire to leadership (*aspirants*); all "high-potentials" (*hi-pos*); all who are newly chosen, called on, assigned, hired, promoted, or elected to lead (*new leaders*); and all who are now leading (*practitioners*).

Why? Without effective, on-going LD, your leadership tends to *wilt*—away from the ideal of authentic and accountable leaders who serve as responsible stewards of the greatest good for all stakeholders—and *tilt* toward self-serving counterfeit leaders.

Once you recognize the need for effective LD, the question becomes: *How can you best develop leaders for your team or organization?* In many places, this is a multi-million-dollar question—and, given the immense investment, the stakes are high for desirable ROI.

We offer the *ABC Template* and *LeaderMeter Tests* to assist you in attracting, developing, and testing authentic leaders for your team.

Your odds of having an effective LD program and process with high ROI increase dramatically when you use this *ABC Template*. Use it to create a new LD program or improve your current LD plan, program, or process.

A—Assess: Decide on *meanings* and design a graphic LD *model*.

B—Birth: Create an effective LD *plan, program* and/or *process*.

C—Cultivate: Continue development by creating a sustainable *performance culture*.

Even the best LD program won't deliver desired results if it is seen as a Band-aid on a broken culture characterized by counterfeit leadership at the top and at the core.

This *template* is designed to trigger your best ideas and plans for developing leaders who best fit and function in your culture and get the results you most desire.

Use the 7P *LeaderMeter* to monitor, test, or spot-check your leadership practice.

Access these LD templates, tools, at **www.LeaderExcel.com**, along with our *annual ranking of top LD programs* and practitioners.   **LE**

Small to midsize organizations
1. Triage Consulting Group
2. Badger Mining
3. Carnival Cruise Lines
4. Wieland (Homes) University
5. Americredit Financial Services
6. Container Store
7. Equity Residential
8. Johnson Controls
9. Carilion Health System
10. InsureMe
11. Analytical Graphics
12. Simonton Windows
13. Acuity
14. Vulcan Materials Co.
15. Genecor International
16. Saltwater Institute
17. Conway Transportation
18. Cross-Country Healthcare

Large organizations
1. Ritz-Carlton Hotels
2. General Electric
3. Procter & Gamble
4. Boeing
5. General Motors University
6. Wachovia Corp.
7. Fed Ex/ELI
8. McDonald's/HU
9. Microsoft
10. Qualcomm
11. Yahoo
12. Caterpillar University
13. Chevron
14. AXA Equitable
15. Farmer's Insurance
16. MasterCard
17. Northrop Grumman
18. Direct Energy
19. Schwan Food Company
20. Allied Barton
21. AmTrust Bank
22. Bank of New York Mellon

23. Goldcorp
24. UBS
25. Black & Decker
26. Archer Daniels Midlalnd
27. Textron
28. Amazon
29. Disney
30. Medco

Education/universities/schools of management and business
1. Univ. of Michigan/Ross
2. Center for Public Leadership, JFK School of Government, Harvard
3. Univ. of Chicago/GSB/Leadership
4. UCLA/Anderson
5. USC/Marshall/CEO
6. Northwestern/Kellogg
7. Pennsylvania/Wharton
8. MIT/Sloan
9. Harvard Business/True North
10. Utah Valley Univ./CAL
11. Duke/Fuqua
12. Yale Leadership Institute
13. Stanford/GSB Leadership
14. Emory Univ.
15. BYU/Marriott/Leadership
16. Pepperdine/Graziadio/SBM
17. Carnegie Mellon/Tepper/Leadership
18. Alliant/MGSM
20. Ball State Univ./Ed. Leadership

Non-profit organizations
1. ASTD
2. SHRM
3. American Management Assoc. (AMA)
4. HCI
5. NYC Leadership Academy
6. ISPI
7. HR.Com
8. IQPC/Corporate University
9. National Management Assoc. (NMA)
10. Manchester Bidwell

11. Conference Board
12. Berkana Institute
13. Leader to Leader Institute
14. CAEL
15. Baptist Leadership Institute
16. SoL
17. Healthcare Businesswomen Assoc.
18. Addison Avenue Fed. Credit Union
19. Rush University Medical Center
20. Best Practices in Leadership Devel.

Government/military
1. Defense Acquisition University
2. U.S. Marine Academy
3. U.S. Air Force Academy
4. U.S. Army/Westpoint
5. FBI Academy
6. U.S. Navy Naval Academy
7. NASA/Leadership Alchemy
8. U.S. Army Rangers
9. ASQ Baldrige Award
10. U.S. Coast Guard
11. FAA
12. U.S. National Guard
13. National Defense University
14. U.S. Tactical/Seals
15. Naval Undersea Warfare Center

Consultants/trainers/coaches
1. Zenger/Folkman
2. Goldsmith/Katzenbach Partners
3. Korn/Ferry/Leadersource
4. Jim Collins
5. Bluepoint Leadership
6. Ninth House
7. Human Performance Institute
8. Synthesis/Leaders Toolbox
9. Marcus Buckingham Company
10. Tom Peters Company
11. Guttman Dev. Strategies
12. Strategos
13. Maxcomm
14. Josh Bersin & Assoc.

15. Lebow Company
16. Liminal Group
17. Benchmark Communications
18. Table Group
19. Chip Bell Group
20. Leadership Challenge/KP
21. Authentic Leadership Institute
22. Leadership Development Services
23. iLeadUSA
26. Arneson Consulting
27. Sensei International
28. Right Management
29. ISB Global
30. The Prosen Center

Large consulting groups
1. Linkage/GILD
2. Results-Based Leadership
3. Accenture
4. Center for Creative Leadership
5. Senn-Delaney Leadership
6. McKinsey/Leadership
7. HSM/World Business Forum
8. Vital Smarts
9. DDI
10. Lee Hecht Harrison
11. Adizes Institute
12. Richard Chang Assoc.
13. Dialogos
14. Booz Allen Hamilton
15. Hewitt/Leadership
16. Plante & Moran
17. BlessingWhite
18. Franklin-Covey
19. Ken Blanchard Companies
20. Integro Leadership Institute
21. Forum Leadership Development
22. Personnel Decisions Intl. (PDI)
23. Human Potential Project
24. Crowe Horwath
25. International Leadership Assoc.
26. Leadergrow
27. Kepner-Tregoe

Executive Excellence Publishing

Find Your True North

Authentic leaders experience crucibles.

by Bill George

I CHALLENGE YOU TO think about your leadership and your calling to use your leadership gifts to make the world a better place and to help develop leaders of the future.

I've felt a *sense of calling* to develop my gifts, but I struggled for years to discern the difference between God's calling and my ego desires and to find the right place to devote my energies.

When I decided I would be most effective as a leader in business, I created two goals: 1) to be a values-centered leader of a major corporation; and 2) to influence others to bring a values-centered approach to business.

When I left Medtronic in 2002, I recognized I had done well with the first goal, but had little influence on other leaders. Now, I'm devoting myself to developing future leaders.

Are you doing all you can to develop your God-given gifts as a leader, to be true to His calling—not your desires—to make a positive impact?

For the past decade, we've had a leadership crisis. Since many leaders failed in their responsibilities and destroyed or damaged their organizations, we have lost trust in our leaders and confidence in our institutions, causing many people to ask, "Where have all the leaders gone?" There is no shortage of leaders—many outstanding leaders are just waiting to be asked to step up and lead.

You have been given leadership gifts and called to use them. Are you following that call and using your gifts to make a difference?

The root cause of our leadership crisis is that we often choose the wrong leaders for the wrong reasons. We choose them for: *Charisma instead of character, style instead of substance, and image instead of integrity.* Why, then, are we surprised when they lack character, substance, and integrity? In a climate of public impressions and short-term performance, many good leaders lose sight of their calling, or their "True North," and are pulled off course by pressures and seductions. They are not well-grounded in their faith and beliefs. They get caught up in their egos and external gratifications. But, as Peter Drucker once wrote, "Leadership is not about money, fame and power; leadership is responsibility."

21st Century Leaders

We need authentic leaders who accept the calling to lead and follow their True North without deviating from their beliefs and values. In the 20th century, people looked to powerful leaders with legions of followers, whom they trusted and gave their loyalty. Too often, these leaders betrayed our trust.

Today, leaders must be different. Knowledge workers often know more than their bosses. They want to step up and lead now, not wait for 10 or 20 years. I was division president at 27 years old. If young people don't get opportunities, they'll likely move on. Trust and loyalty must be earned, as people seek meaning in their work.

At Medtronic, our mission was "to restore people to full life and health." The best event of the year was the holiday party when six patients shared their stories about how a Medtronic product blessed their lives.

You can create more meaning in any work. David Dillon, CEO of Kroger, says, "When employees deliver kindness, they feel better about their work."

New Definition of Leadership

I propose a *new definition of leadership*, based in four words:

• *Align.* Align people around a common mission and values. At Johnson & Johnson, employees have followed the J&J Credo for 60 years. But many leaders lose sight of their customers and their True North by following the dictate to "maximize shareholder value."

• *Empower.* Empower others to step up and lead, as opposed to exercising power over others to get them to follow you. By empowering people, you motivate them to contribute and increase the net power. Organizations of empowered leaders are more successful.

• *Service.* Authentic leaders serve their employees and customers and become "servant leaders."

• *Collaboration.* Today's problems—poverty, health care, education, energy, environment, and peace—are too complex for any single leader or organization to solve. They must be addressed through collaboration—bringing people together who have the combined capabilities to resolve the problems.

The leader's job is to align people around a common mission and values, to empower them to lead, to act as a servant leader, and to collaborate with others to solve difficult problems.

True North Crucibles

What defines authentic leaders are their life stories where they find their calling and passion to lead. Think about your own life story. Where do you find your calling to lead?

Most authentic leaders report having life-transforming events (crucibles) that bring them to the meaning of their lives, challenge their beliefs, and enable them to find their calling. For many, the crucible occurs early in life, but they don't understand its meaning or purpose until years later.

• *Howard Schultz,* founder of Starbucks, found his calling growing up with crime and poverty in the Brooklyn Housing Projects. After his father's death, Howard wanted to create a company his father would be proud to work at, where all employees have health care and ensure their customers have good experiences.

• *Marilyn Nelson,* chairman of Carlson Companies, discovered her calling in the wake of her daughter's death at age 19. She decided to use the time her daughter didn't have to make the world better for everyone and to use her gifts to empower people throughout her far-flung global organization.

• *Oprah Winfrey* grew up in the South, with poverty and discrimination. She found refuge in her church. At nine, she was sexually abused by a relative—abuse that was perpetrated on her by other family members. When, at age 36, she realized that she wasn't responsible for this abuse, she decided to build her career around helping people take responsibility for their lives.

• *I describe my life* as a series of crucibles. After a successful 20-year career, I hit the wall in my mid-forties. I was at Honeywell and in line to become CEO, but I was miserable, even with a wonderful wife, two fine sons, and great friends. I'd lost sight of being the values-centered, purpose-driven leader. I

then became president of Medtronic—a place where I could make a difference, work with people of like minds and similar values, and make the transformation from "I" to "We."

Have you made that transformation? If not, you need to go through a process of finding your True North.

Finding Your True North

Focus on these six areas:

1. Pursuing your purpose. First, discern the purpose of your leadership. That discernment might come early or after years of trial and error. Andrea Jung, CEO of Avon Products, followed her compass, not her clock, and changed the vision of Avon from cosmetics to "the empowerment of women."

2. Self-awareness. We all have blind spots and vulnerabilities. To be self-aware, we must first have leadership experiences, get honest feedback about our leadership and the areas we need to improve, and reflect on that feedback, perhaps with a trusted colleague or mentor, about how others see us and how to make authentic connections.

3. Practicing our values. It is easy to preach values when things go well. The test comes when things aren't going well and people are watching. Only when all you've built for a decade or more hangs in the balance will you know how solid your values are.

4. Motivations and motivated capabilities. We all like to receive positive feedback, recognition, or compensation. But we need to balance these extrinsic motivations with intrinsic motivations—like making a difference, mentoring others, developing ourselves, having a healthy family, or fulfilling our inner purpose. When you are clear about your motivations, you can employ your motivated capabilities in places where you'll be effective.

5. Building a support team. Since leadership is inherently lonely, you need a support team, starting with one person with whom you can be honest and open. It could be your spouse, best friend, mentor, or therapist. Start now to build a trusted support team.

6. Leading an integrated life. With all the pressures, you will struggle to find a perfect balance between your work and personal life. Live your life with the *integrity* of being the same person in all settings and circumstances.

These six keys prepare you to serve and empower others to lead. **LE**

ACTION: Empower others to lead.

Commitment

It unleashes your potential.

by Chris Majer

Leaders worldwide face the same challenge: *How do we develop and sustain competitive advantage?* Our practices of leadership and management are inadequate—we need to re-invent our philosophies, practices, and tools.

The breakdown we face is revealed when we examine two standard means for generating competitive advantage.

1. We develop a unique strategy. Today, with the information and analysis available on the Internet, it's hard to gain competitive advantage in a unique strategy. Since the information that you use to craft a strategy is available to anyone, your competitors are likely following the same strategy.

2. We devise a unique deployment of technology. Any technology that you can acquire, consultant you can hire, or software you can purchase can be purchased by your competitors. Technology has become commoditized.

What does that leave you with? *Your only source of sustainable competitive advantage is your capacity to mobilize your people to implement your strategy faster and more effectively than your competition.*

Why is it so difficult to mobilize people? The practices that we use in transactional and transformational work are out of date. When times call for innovation, hierarchy and process fail us, as these try to standardize the activities that generate innovation. At best this produces marginal or incremental innovation and at worst kills breakthrough innovations. Process and hierarchy are focused on monitoring and measuring *activity*. However, they don't work so well in the emerging work that is dominated by *tacit work*.

Tacit work requires high interaction and coordination skills, the capacity to build networks, the competence to think strategically and innovate, and resolve complex breakdowns. Tacit work requires more than just knowledge. The essential components are observing, assessing, declaring, and mobilizing action to attend to the concerns of both internal and external customers. It is informal and ambiguous, often outside the bounds of the standard job descriptions. This makes it difficult to manage and reward tacit work with the current management practices and tools, even though employees may spend most of the day engaged in it.

It is time to revolutionize the practice of management. Welcome to *Commitment-Based Management.* It is a set of distinct principles, practices, and tools that enable managers to design and deliver powerful offers to their customers, generate innovation, and manage organizations to generate performance and profits by getting the most value from their tacit workers.

A New Look at Work

The core principle of *Commitment-Based Management* is simple. Instead of seeing work as a mechanistic connection of activities, we see it as a dynamic set of nested commitments. Activity is generated by commitments. When these are clear and focused, we generate high performance. When they are unclear or weak, we generate waste and unproductive moods. In manufacturing, we have effective tools for eliminating waste. However, in tacit work, we generate untold billions of waste. Every time there is a miscoordination, miscommunication, or a commitment that isn't fulfilled as promised, we generate waste; hence, up to 70 percent of payroll dollars don't generate much value.

In a commitment-based organization, the core unit of work is not activity, but the making of a commitment between two people (customer and holder). When holders promise the customer that they'll do something by a certain time, they make a commitment. The making and managing of commitments is largely a linguistic competence.

The practice of management must be seen not as supervising, measuring, and assessing activities but as designing, coordinating, and fulfilling commitments. This requires new competencies—building trust, managing moods, and mastering conversations that enable people to design and deliver on their commitments consistently. *Commitment-Based Management* opens doors to a new world of productivity, profitability, and innovation. **LE**

ACTION: Make and manage commitments.

Leading Change

Do it with conversation.

by Susan Albers Mohrman

FEW CORPORATIONS ARE immune to forces of the global economy and sweeping technological advances that require large-scale change and adaptability for survival. Self-reports from executives give the impression that transformation depends on the CEO being prescient, charismatic, and visionary. I find, however, that many conversations must occur among those members who do the heavy lifting when new capabilities are being planned, developed, and embedded in the operating routines in order to reach agreement on how to perform better and differently.

A pivotal variable in accelerating change is the dialogue among members that enables them to internalize the purposes of the changes, understand their role, and redesign how they work with one another and deliver value to the customer. Executives spend much time crafting their communication plan—how to get the information out consistently and compellingly. They need to focus equally on starting conversations that enable the development of new *shared meanings* of the logic of the changes and *new agreements* about how people will work together to accomplish something new.

For example, if implementing a strategy entails addressing key customer accounts, or developing business in a new country, or partnering with another company—the people who are impacted must make sense of new tasks and altered responsibilities. Organizations are loaded with the sense made by incumbents about why they're there, what's expected, and what outcomes are important—and with agreements, formal and informal, about who does what and how people work together. When undergoing change, you need to build in ways for members to make sense of it and develop new agreements.

For four years, my colleagues, Ram Tenkasi and Monty Mohrman, and I studied 10 companies going through change. We found wide variation in speed of implementation among similar units in the same company that were operating under the same leadership and within similar new strategies and architectures. However, the accelerated units:

• *Quickly developed a shared understanding of the changes* that they were part of—the members described the change similarly and had achieved agreement about how to operate. They had talked together and made sense of what was happening.

• *Understood the business logic of the change* and of their roles, and thought not only of their own performance but of how they supported and worked with other units to achieve business success. They had worked out processes for meeting the needs of their colleagues and customers.

• *Self-designed local ways of operating* to make the changes a success—they didn't wait for the company to remove all ambiguity. They did this themselves by talking to each other and figuring out what to do.

• *Tried things out and learned from them*—quickly addressing problems and tensions. They knew that in a shifting landscape they needed to keep learning and changing by sharing their experiences, feedback, and ideas.

• *Learned from the experience of others*. They didn't wait for formal training programs—they shared and learned from their networks.

Change can be accelerated through rich dialogue and building and drawing on existing and new networks. Managers can catalyze these behaviors. They can model the learning behaviors, initiate discussions of the changes, and pull together the units and teams to define new ways to operate. Change can be managed, but it *must* be led—a manager can't change the way a unit behaves; only its members can do that. During times of change, managers feel at risk because of performance pressures and in conflict because they are also trying to manage change. The irony is that they *can get through the change more quickly and perform better* if they take time for sense-making and for building the new agreements and practices.

Change leadership is a team sport—it must emerge at all levels. In accelerated units, leaders focus on four tasks:

• Keep people focused on what the organization is trying to accomplish and how it must change.

• Create opportunities for teams, units, and individuals to learn and develop. Our accelerated units took advantage of the change resources provided, held team development sessions, attended training sessions, visited other organizations, and shared examples and ideas.

• Make sense of the many initiatives that accompany most strategic change, and of how they support the strategy and create new ways of doing business.

• Discuss new performance requirements and the changing employment relationship until people understand and accept that their employment situation has changed, and new things are expected from them, thus avoiding resentment and confusion.

Change can be threatening because new skills and behaviors are required, some people are no longer needed, and new members may bring different ways of doing things and expectations. Change may erode the sense of trust when basic terms of employment, such as benefits or compensation, shifts. And, people may be told that they must develop certain competencies.

Leaders must face these issues by defining the new expectations clearly and creating opportunities to talk and work through these issues.

By leading learning processes, leaders enable members to internalize the change, to help shape the work they do, and to help define their destiny. In this manner, employees become agents of change, not targets. They not only implement changes—they help define them. Executive announcements and corporate redesign are just the beginning—in successful change, the heavy lifting required to develop new capabilities occurs in conversations. **LE**

Susan Albers Mohrman is senior research scientist at the Center for Effective Organizations in the Marshall School of Business, USC. Email smohrman@marshall.usc.edu.

ACTION: Accelerate change.

Leadership Leap

Go from garage to globe.

by Maya Hu-Chan

GOOD THINGS CAN happen in a garage. Pixar Animation Studios, for example, has its roots in a garage on Long Island's North Shore. We Californians happily claim Pixar and Apple now, and other garage success stories, including Bill Hewlett and Dave Packard and their dream. Success often begins in a subway, café, or back of a napkin.

In the 21st century, you can go from garage to globe in a blink. Fast forward: Steve Jobs opens Apple Store Beijing, and visitors shop on their way to the XXIX Olympiad in China.

Are you ready for the globe? In interviewing 200 high-potential leaders from 120 companies worldwide, we developed 15 dimensions of leadership for the effective global leader, created a list of 100 success factors, and ranked them. For future leaders, globalization ranked number 2nd in importance; for current leaders, it ranked 71st, and for leaders of the past, 77th. Apparently new leaders want to start leaving the garage faster.

Five Critical Competencies

Let's look at five emerging competencies critical for global leaders:

1. Think globally. Here are three ways to start thinking globally:

• *Expand beyond a "home-centric" view.* Through research, study and experience, learn about other cultures and what motivates people. Exit the garage, set out to sea, and learn flexibility. Flipping your perspective will enhance critical thinking and emotional intelligence.

• *Align local objectives to global strategies, and vice versa.* Mastering the communication connection between headquarters and subsidiary operations leads to effective collaboration, flexible leadership, and strong support systems. Seek input and use it. Your projects will benefit from listening, reflection, and action.
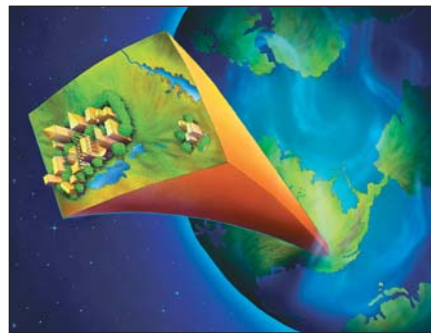
• *Ensure that the home team gets the global vision.* You may have gone global, but the rest of your staff may be still be talking about last night's ballgame. Pull the team together; help global words to have local meaning.

Humanize your work with stories. Rather than using sweeping global management lingo, share the details of your recent trip to Shanghai or Sidney.

2. Leverage global diversity. Global diversity takes into account such human factors as generational differences, gender, and personal perspective.

• *Know thyself.* Ultimately everyone is a "local," and knowing your local self provides insight into how you relate to others. Cast aside the old lens of cross-cultural understanding and get curious. Self-awareness is the best benchmark as you develop tolerance and respect for other cultures' ethics, laws, and norms.

• *Prep yourself and co-workers to understand without judging.* Inserting reflection into your teamwork may increase your global profits more than an elab-

orate marketing strategy. Remain open: what you assume about Chinese, Latinos, or Americans may not be true.

• *Use the highest standards of respect and flexibility.* The *Golden Rule* says "treat others as you would like to be treated." The *Platinum Rule* says "treat others as *they* would like to be treated." Adapt your management style as needed. One rule of thumb is to get silent, take time to observe, then act.

3. Develop technological savvy. You need to have basic ability, know who the experts are and where to find them, and how to best utilize their technical expertise for business success.

• *Good tech and clear talk helps the global team.* During the 1990s, teams were attracted by the bells and whistles of technology. With the passage of time, teams have come to find that technological advancement is no replacement for good communication skills. A leader must find ways to relay her message across the wires to multiple

global contacts in a personal way.

• *Use the right tools at the right time.* To communicate with people you seldom see, understand, and utilize the communication options that technology presents. A virtual PowerPoint with conference may work better than an e-mail chat or Skype, or the issue may simply require a face-to-face meeting.

4. Build partnerships and alliances. A partnership is usually an association of two or more people, whereas an alliance is a union of organizations. The ability to forge formal links is a critical competency for global leaders.

• *Rely on influence and partnerships rather than on top-down management.* Treat co-workers as partners by sharing appropriate knowledge and building relationships of trust. You may report to several managers and must get things done without direct authority. Make connections upward to senior managers, down to direct reports, and across to co-workers and peers.

• *Build effective networks.* The Chinese phrase *guanxi*, meaning "connections," implies a long-term process. The *guanxi* of the East is joining the methods of the West in new business contexts.

• *Create a culture of innovation, open communication and feedback.* Build alliances across the entire organization, using cross-functional teams. You need to communicate within multiple networks.

5. Share Leadership. Global realities require you to share power in new ways:

• *Build common ground.* Seek to understand the goals of those you work with. Enable others to take ownership in their area of expertise. Be aware of personal limitations and link with talented individuals, knowing when to tap the skills of one individual or team, and deemphasize the contribution(s) of another.

• *Focus on the greater long-term good; help others to do the same* to develop an authentic sense of common purpose. Rather than using artificial, externally-imposed incentives, gather the input of all team members. The language of mission, social responsibility, and sustainability can be useful as a catalyst.

As you hit the global stage, leadership becomes an art of collaboration to maximize the blend of differing cultures and styles through person-to-person understanding and technology.

By building on these five emerging competencies, you can utilize your unique personal style and make the leap from garage to globe. **LE**

Maya Hu-Chan is a consultant, executive coach, author, and public speaker and author of Global Leadership: The Next Generation*. Visit www.mayahuchan.com or call 858-668-3288.*

ACTION: Invest in global collaboration.

Inside Drucker

Apply five timeless principles.

by Jeffrey A. Krames

Peter Drucker always thought that *what* was right was more important than *who* was right—a principle he learned from Alfred Sloan, former CEO of General Motors and the man Drucker researched in the first study of any large American corporation. That study led to his first business book, *Concept of the Corporation* (1946).

Today's effective leaders still adhere to the enduring leadership principles espoused by Peter Drucker. Many best-selling business books include ideas that he originated. He was the inventor of management, and he *established management as a social discipline.* Those are his two greatest contributions.

Along with those loftier accomplishments, he also gave us solid and enduring principles to help managers run their business. Regardless of your firm's size or structure, Drucker's ideas can help you to get much better at what you do.

Five Greatest Ideas

Here are five of Drucker's greatest ideas, which remain relevant today:

1. Lead like Jefferson: Before Drucker, workers were looked down upon. They were called "helpers" by Frederick Taylor. They were not seen as assets, but as costs. From his first book, Drucker changed the calculus and the conversation: he established the importance of workers, and made dignity a critical part of the practice of management. Those themes of dignity and humility dominated his works. This signified an important change in the way organizations regarded and treated their workers.

In Jefferson's first *Inaugural* in 1801, he espoused the kind of rhetoric and sentiments that Drucker would later use in his earliest works. Jefferson argued for the rights of the common man, equal laws, and for the violation of oppression. He rallied citizens to come together—united in heart and mind.

Drucker's *Concept of the Corporation* is a Jeffersonian-inspired plea of the worth of the individual over the cold institutions of the era. He spoke of basic beliefs of American society and how its institutions must bestow the appropriate status to the individual. And he also concluded that the dignity and status he was describing can only by derived through work and the corporation.

2. Execution, first and always: By the time Larry Bossidy and Ram Charan wrote their bestselling book, *Execution: The Discipline of Getting Things Done*, Drucker had been writing and speaking about execution for decades. He just didn't call it "execution." Instead he used words like "performance" and "results," "achieving" and "doing." The entire Drucker body of work is steeped in words and phrases that suggest that action and results are the only authentic measures of success.

For example, in his 1973 book, *Management*, Drucker argues, "Objectives must be derived from what our business is, what it will be, and what it should be. They are not abstractions. They are the action commitments through which the mission of a business is to be carried out, and the standards against which performance is to be measured. Objectives, in other words, represent the *fundamental strategy of a business.*"

Three decades later, Bossidy and Charan wrote, "Putting an execution environment in place is hard, but losing it is easy." "People think of execution as the tactical side of the business, something leaders delegate while they focus on the perceived 'bigger issues.' This idea is completely wrong." Bossidy and Charan describe execution as something that must be incorporated into a firm's strategy and culture. Using different terms and labels, they describe what Drucker had

written about since the mid-1950s. However, until the business book revolution was ignited in 1982 with the publications of *In Search of Excellence* (Peters and Waterman), and *The One Minute Manager* (Blanchard and Johnson), business was not the phenomenon it would later become. Drucker was never hip; he was never sexy; but he was almost always *first*.

3. Gain an outside-in perspective: Drucker was the first writer to understand the potentially debilitating effects of being a captive of an organization. That was because what goes on within an organization is not half as important as what goes on in the only place that counts—the marketplace. The problem is that there are too many factors clouding the manager's vision, removing any chance of a clear sense of things. Drucker wrote of "thick and distorting glasses" of the manager, and how he must see the marketplace through "an organizational filter of reports." That's a real problem because "results and resources exist only on the outside."

Lately some authors and business leaders have written about the need to see things from the outside-in—from the view of the customer. Lou Gerstner talked about a form of it when he turned around IBM in the 1990s. So did Jack Welch in a 1999 speech in New York, declaring "outside-in" to be "an important idea"—a game changer.

Noel Tichy and Ram Charan wrote about it in their strong-selling book, *Every Business Is a Growth Business* (2000). However, as we have seen with so many other important topics, Peter Drucker was the intellectual father of the outside-in corporation.

Some ideas for developing an outside-in perspective include: "go where they are." Force yourself and your direct reports to spend time with your customers (and with non-customers as well). Urge your people to spend two hours per week in competitive stores and websites. One top British retailer, Tesco, asks its top managers to switch jobs with its people in the field for one week per year to remove the "distorting" lenses Drucker felt inhibited a manager's vision.

4. Audit strengths: In the last decade, there have been some terrific books on focusing on strengths in organizations. Chief among them were Buckingham and Clifton's million-copy-plus-bestseller, *Now, Discover Your Strengths*. They wrote the book to help managers capitalize on the *differences* of their employees. The book also urges people "to play to their signature talents"

by making sure they are in positions where they can contribute the most.

However, Drucker's work on strengths theory pre-dates Buckingham and Clifton's by half a century. In 1954, Drucker urged managers to focus on people's strengths in *The Practice of Management*. In that work, Drucker asserts that nothing hurts the morale of an organization faster than focusing on people's weaknesses. He stated unequivocally that the biggest blunder an organization can make is to "try to build on weakness." A decade later, Drucker explained that organizations must be built in such a way that matches a person's strength to his or her specific work assignment.

To their credit, Buckingham and Clifton credit Drucker's ideas on building on strengths. However, it is still a case of Drucker getting there first.

5. Build innovation into the fabric of the organization: Peter Drucker told me that while he had been thinking about innovation for years, he was not ready to write about it until the mid-1980s with the publication of *Innovation and Entrepreneurship* (1985). He also told me that, out of all the books he had written (38 in all), that was one of the six most important.

Since then, there have been many other books on innovation, but few better than Clayton Christensen's *The Innovator's Dilemma* (1997). He argues that successful companies often get blindsided by a new or what he called a "disruptive" technology. That's because success tends to breed complacency. One way to innovate, he wrote, is to set up a separate, distinct operating unit that can get enthusiastic about even minor accomplishments, and set more realistic goals that are in line with their size and scope.

A decade earlier, however, Drucker made the same point when he wrote that "babies" should not be put in the living room—they should be put in the "nursery." He argued that it is dangerous to trust new concepts and ideas to existing operating units.

Drucker got there first on many key management and leadership concepts. However, he hardly appears at all in today's textbooks. That's because he did not adhere to the traditional rules of the academic elite. Perhaps that will change, as the scope of his accomplishments are measured and studied. **LE**

Jeffrey A. Krames is the author of Inside Drucker's Brain *and Editorial Director of Portfolio, a division of the Penguin Group. Visit www.INSIDEDRUCKERSBRAIN.COM or www.jeffreykrames.com.*

ACTION: Apply Drucker's five core ideas.

Developing Leaders
Get creative on a tight budget.

by Steve Arneson

LEADERSHIP DEVELOPment (LD) has long been the centerpiece of the learning budget. LD has become a multi-billion dollar industry, as companies pour resources into assessment tools, leadership programs, executive coaching, and leadership training.

When revenues and profits are down, you may cut back on LD. Effective LD, however, doesn't have to cost millions of dollars; in fact, several best practices require little or no budget.

LD is first and foremost a mindset (not a program). Companies that excel at sustaining a leadership pipeline establish a *culture of development* and reinforce it at every level. They expect leaders to pass on their experience. They spend valuable time sponsoring, supporting, and leveraging LD because they make it a priority and "ground" LD as a core element of their culture. And much of what they do to develop leaders doesn't cost a dime.

Six Best Practices in LD

You can excel at LD, on a low budget, in six ways:

1. Get your CEO and senior execs into the game. Look for ways to engage your CEO and other senior executives in developing leaders. Establish a *CEO Leadership Lunch*, where a few mid-level leaders join the CEO. Set up an *Executive Speaker Series*, where senior executives share their leadership journey and lessons learned. Invite your leaders to serve on Boards for local charities or non-profits (and to share their experiences). Set up lunches with leaders at other companies to share best practices. Work with leaders to design and deliver leadership content in meetings.

2. Leverage leaders as teachers and mentors. A company-wide commitment to LD is often sparked by leaders serving as teachers and mentors. VP leaders are more accessible, as they work closely with directors and managers to execute the strategy. Help them connect with emerging leaders by establishing a mentoring program. Set up *Leadership Workshops*, where leaders develop and deliver a session for managers on such topics as leading change, building teams, and coaching. Serve as a cross-functional "talent broker" by making it easy for leaders to schedule visits to each others' team or meetings to talk about their area. Ask senior managers to serve as "buddies" for incoming executive hires. Create informal book clubs to spark dialogue on hot topics.

3. Profile leaders on your web portal. Use your intranet to spotlight and profile leaders. Interview leaders about their philosophy and ask them to share leadership lessons. Describe where they work and what they do. Document how they stay current, and let their enthusiasm and passion shine through.

4. Explore action-learning projects. Find senior leaders who have a passion for development, and help them coordinate action-learning projects. These small-group experiences, often found in formal LD programs, can be implemented at any time. Help the leader start the process—choosing individuals to come together as a team, giving them a choice of projects, providing feedback and support, and showing commitment for decisions.

5. Create your own 360-degree feedback tool. Design a 360-feedback tool based on your leadership competencies, and set up a schedule and process for implementing the tool and facilitating feedback sessions. Target your top 100 leaders, and pace and sequence the process to collect feedback on 12 to 15 leaders a month. Enlist HR partners to help you debrief the feedback reports.

6. Develop a rigorous talent review process. Develop leaders by giving them various leadership experiences and having a twice-annual talent review process where the CEO and senior executives meet to talk about talent. Create the data and metrics for making informed movement and developmental decisions based on assessment results, leadership potential ratings, attrition risk analysis, and bench strength or replacement planning charts. Make movement an outcome of these sessions, and then help facilitate the leader's move with a *New Leader Assimilation* process.

By involving everyone in LD, you create a great leadership culture. **LE**

Steve Arneson, Ph.D., is president, Arneson Leadership Consulting. Visit www.arnesonleadership.com.

ACTION: Create a leadership development culture.

Profitable Leadership

Extraordinary leaders double profits.

by Jack Zenger, Joe Folkman, and Scott K. Edinger

WE'VE SPENT YEARS DECODING LEADership trends and discovered an interesting pattern: *extraordinary leaders can double profits*.

This bold assertion invites several questions: How does leadership drive profit? How do leaders maximize, if not double, profit opportunity? How do we capitalize on leadership as a means to profit and growth? What issues can leaders impact that will drive profit? How do we identify and develop extraordinary leaders?

Our research supports the claim that leaders, good and bad, directly affect the bottom line. We've analyzed a database of over 300,000 360-degree feedback reports on about 30,000 managers on this premise—*if you want to learn the effectiveness of a leader, ask those who are led*. Having performance metrics on these managers enabled us to compare their business results with their leadership effectiveness.

Our leadership development (LD) model and process are focused on business outcomes, converting LD into desirable results (double profits).

Do extraordinary leaders double profit in every case? No, but the trend line looks the same, regardless of raw numbers or percentages. *Good leaders create more economic value than poor leaders, and extraordinary leaders create far more value than the rest.*

Since we can measure the performance of leaders on factors that impact profits, we can measure leadership's affect on the bottom line. These factors include retention, turnover, commitment, morale, satisfaction, attitudes, productivity and customer satisfaction. This is how extraordinary leaders double profits!

How can you develop extraordinary leaders who inspire people to perform at higher levels, remove obstacles to productivity, and double profits?

We find that if people costs are 50 percent and productivity improvement is 10 percent, the increase in pre-tax profit is 100 percent. Even if productivity improvement is just 5 percent and people costs are 50 percent, that's still an increase in pre-tax profit of 50 percent!

Affecting employee satisfaction, commitment, turnover, and retention certainly impacts the bottom line, but is a 10 percent productivity gain reasonable? Yes, leaders have many ways to impact productivity by 10 percent.

Developing Extraordinary Leaders

Many organizations show gains in productivity over time as a direct result of their LD programs. To realize increases in productivity and to sustain these gains, you must rely on a LD model that defines the competencies that make a difference and use effective development methods.

In creating our LD model, we identified *16 competencies* that separate the

best companies from the rest. Developing these competencies or strengths becomes the clear path to extraordinary leadership, productivity, and profits.

These 16 competencies of extraordinary leadership can be categorized into five clusters or behavior: 1) focus on results, 2) leading change, 3) character, 4) interpersonal skills, and 5) personal capability. The links between these behaviors and performance are critical. For instance, the leader who focuses on results learns that what gets focused on gets better: seeing improvement, people respond to this focus and follow it. The leader's focus then creates a cycle of success.

• First-rate, talented people are attracted to honesty and integrity and to leaders who are competent problem-solvers. What better way to attract the best talent than to display fair ethics, character, and personal capability?

• Leaders with interpersonal skills build cultures that inspire people to want to work harder and care more about their jobs. People feel cared for and respected as leaders clear away obstacles, that in turn creates a culture that encourages teams to flourish.

• Leading change is a vital function for gaining competitive advantage. High-performing leaders are strong in three or four areas; however, these need to be spread out, not clumped in one area. A leader can be exceptional in just a few of the 16 competencies and be an extremely good leader who boosts productivity and profitability.

Leaders who have no glaring weaknesses or extraordinary strengths fall into the bottom third of the leadership distribution. Even one strength works wonders in the perception of leadership. Three strengths will raise the perception of leadership effectiveness to the 81st percentile and four and five strengths to the 90th percentile!

One competency is most powerful: *inspires and motivates others to high performance*. This interpersonal competency is seen as the most important. It correlates most with employee engagement and productivity.

Each of the 16 differentiating competencies—including inspiring and motivating others—has several companion behaviors or competency companions. Enhancing these companion behaviors strengthens the behavior. We liken it to cross-training in sports.

So, if you desire more inspiring and motivational leaders, you need to develop the companion competencies: setting stretch goals, establishing a clear vision and direction, being more innovative and risk taking, developing others, practicing greater teamwork and collaboration, taking greater initiative, and being a role model.

Sustaining Change

What people learn in your LD program they will soon forget unless there is systematic follow-up. This can be as simple as asking for progress reports, requesting suggestions, or conducting surveys every six months to reveal areas for improvement. Record achievements and milestones, deliver progress and completion reminders, and ask what leaders have done and plan to do to achieve their goals. This keeps LD at the forefront of the leaders awareness and shows progress—which leads to improved productivity and profits! **LE**

John H. "Jack" Zenger and Joseph Folkman are coauthors of The Extraordinary Leader *and principals of Zenger/Folkman. Scott K. Edinger is Exec. VP of sales. Visit www.ZengerFolkman.com.*

ACTION: Develop extraordinary leaders.

New Leaders

Coach them for success.

by Stephen L. Cohen

THE STAKES FOR LEADERS are high. There's pressure from stockholders and Boards to respond quickly to change and capitalize on growth opportunities. Executing on strategy is a top priority. Aligning workforces to achieve goals while implementing succession plans to sustain momentum and address demographic shifts is a constant challenge. And, the pool of available talent is shrinking.

In such turbulent times, leadership development (LD) is an urgent priority. Why, then, do so few organizations invest in coaching new leaders? Our recent research shows only 23 percent of new leaders—or employees who advance from being individual contributors to managing others—receive the formal coaching they need to reach their potential; 29 percent of executive leaders (CEOs, department heads, and senior VPs) regularly receive coaching; and 35 percent of developing leaders (VPs, directors, and managers).

Most new leaders advance in their careers due to their proficiency with technical skills, but they usually lack the leadership abilities needed for success in higher-level positions. New leaders and hi-pos need as much (or more) development as executive and developing leaders, since new leaders are the future of the organization.

We find that without investment in their development, more than 40 percent of new leaders fail to deliver on what is expected of them. The costs to the business are substantial—from direct replacement costs of two to three times salary, to less quantifiable costs related to inefficiency, lower engagement and productivity, missed opportunities, and poor morale.

Coaching helps to ramp-up the contribution of new leaders, as they face such critical issues as on-boarding, defining objectives, planning for some early successes or wins, enhancing credibility, building new relationships, being immersed in the culture, developing self-management strategies to handle stress, shaping the future, and evaluating progress.

New leaders have two priority areas for development: 1) management skills—understanding finances, business processes, how work gets done and things get made, conducting performance reviews, and creating management reports (most organizations address these needs through training courses and established resources); and 2) emotional intelligence—understanding how their behavior influences others and how the behaviors of others influence their behavior (this is more difficult to learn because it's sensitive and personal and needs to be put in context to relate to a new leader's role in achieving goals).

New leaders would benefit most from coaching emotional intelligence skills to gain self-awareness, build management and social skills, and become more empathetic toward others and more understanding of themselves. New leaders don't need coaching in technical and general management skills as much as they need guidance in how to treat others.

Coaching can greatly accelerate a leader's development. It is different from on-the-job development, action team learning projects, and formal training programs. Coaching is focused on the leaders' specific and unique needs, targeting the skills and behaviors they need to succeed in their new or anticipated roles.

Benefits from Coaching New Leaders

In addition to enhancing the leadership abilities of new leaders, coaching:
• Aligns the leader's behavior and objectives with the business strategy.
• Solidifies the relationship between new leaders and their managers.
• Clarifies and defines key objectives, skills, issues, and priorities.
• Accelerates the learning curve by focusing on critical objectives.
• Improves internal communication.
• Strengthens relationships among new leaders and their teams.
• Gains the support of stakeholders.
• Builds a 12-month roadmap that outlines goals and ways to achieve them.
• Provides coaching to ensure successful implementation of the plan.
• Increases the leader's ability to impact performance.
• Integrates development activities to maximize the potential learning.
• Enables new leaders to internalize and model behaviors in a safe place.

New leader coaching can result in a six-fold ROI, whether it's done by an external coach, manager, or HR pro.

Two Case Studies

How coaching can help maximize the contribution of a New Leader is illustrated in two case studies.

Case 1: Advancing a top contributor to a senior executive in a fast-growing business. A new leader was promoted into the role of a financial controller after proving himself as top contributor. He centralized all decisions, didn't trust others to make judgments, and insisted that all information go through him before taking action. As a result, performance objectives started to slip as decisions slowed. Field operators couldn't get the information they needed, and business was lost.

His manager assigned a coach to help this new leader to focus on delegating and allowing others to make decisions. He learned how to evaluate the risk, how to let go, and how to discuss related issues with colleagues. The coach also worked with his manager to clarify the strategy and to understand the context and culture.

Processing requirements moved from 2.5 *weeks* to 1.5 *days*. The coach also worked with the coachee's boss and HR manager to help them to reinforce his behavior over time.

Case Study 2: Transitioning pharmaceutical physicians from private practice to corporate culture. A pharmaceutical firm hired 20 physicians who had been in private practice for many years and put them in key management positions where they had no idea how to function. Our coaches worked with the doctors, helping them to understand the new norms, politics, and expectations and how to make an effective contribution. All 20 made successful transitions into the new environment. Four years later, all of them continue to work for the firm.

Employers make a big investment when they recruit and hire new leaders, and they have much to lose when new hires fail to gain credibility or fail to achieve objectives. In this turbulent economy and with a crunch for talent, leaders of excellence need to invest in developing new leaders to enable them to deliver on expectations. **LE**

Stephen L. Cohen is Senior VP, Global Product Management, Leadership Development Center of Excellence at Right Management. Email steve.cohen@right.com. Visit www.right.com or call 952-857-2202.

ACTION: Coach your new leaders.

Work with Heart

Build sustainable relationships.

by Laura Lopez

MANY LEADERSHIP books directed at women in the 80s and 90s spoke about women having a natural tendency toward leadership. In fact, I was interviewed for a book published in 1991 called *Star Teams, Key Players*, by Michelle Jackman. She states that women are natural leaders because of their innate ability to work in teams. I have never fully bought into the idea that these natural talents are what get us ahead.

To the contrary, I often find that women who succeed in corporate life put aside their natural feminine attributes—including their hearts—in order to thrive. At times, women even do this more frequently than their male counterparts!

When you are in the minority, it doesn't help to be considered different. It takes a lot more courage and effort to stick it out, especially when there is no proven track record that *different* will be rewarded. Business has been a place where the heart and its many expressions were discouraged. Therefore, many women became "little men" or, as I like to call say, "she-men".

What's a she-man? A "she-man" is a woman who has completely disconnected herself from her feminine attributes in the workplace because she believes it has no purpose or value in business. While I do believe this is particularly relevant for women, I have seem men suffer from this as well by leaving their heart-driven creativity, compassion, and sensitivity at the door.

Unfortunately, I believe that as women we are often guilty of negatively judging these natural, feminine skills and, as a result, we leave them at home. I know that I and many other women I worked with had these assumptions. The truth is that we need to embrace both the feminine and masculine traits in business in order to be fully successful. You can't just engage the head and forget the heart!

I came from a generation that believed the heart had no place in business. This was true for both men and women. I now understand how flawed this belief is.

Today, companies and businesses are looking for long-term sustainable results and innovative solutions. They can't achieve this without engaged people.

Engagement is an emotional issue, not an intellectual one. You can go to work with your head, but it isn't until your heart is engaged that you can bring about superior and sustainable results. Effective leadership requires passion, creativity and innovation, and you can't do that without an engaged heart.

I believe that if we embraced ourselves more fully and started to unapologetically bring our full selves to work, our business relationships would flourish. Showing emotion is no longer a sign of weakness, it opens a window to who we truly are—and the truth is that people do business with those they like. If your staff and your clients do not relate to you, it's nearly impossible to build trust and long-term relationships, especially in today's globally competitive and ever-changing market.

Business is personal, but you can't take it personally. While you do need to bring a human aspect to work by bringing your heart, you also need to keep your head engaged and understand that business is not personal.

This is the magical dance you must do between the management demands of the business and the leadership demands of the people around you. The problem is that business has been overly skewed to the management side of the equation; but to achieve sustainable results, businesses need some heart! And it starts with every one of us—women and men alike! **LE**

Laura Lopez, former VP at The Coca-Cola Company and author of The Connected and Committed Leader, *is a performance strategist helping companies achieve superior results with effective leadership. Visit www.laura-lopez.com.*

ACTION: Show some heart in your leadership.

High-Trust Teams

I see 10 contrasts with LTOs.

by Robert T. Whipple

CREATING A HIGH-TRUST organization (HTO) brings an incredible sustainable advantage. Unfortunately, most leaders create a low-trust organization (LTO). I contrast HTOs with LTOs along 10 dimensions:

• ***Solving problems.*** In HTOs, problems are dealt with easily and efficiently. In LTOs, problems become big obstacles as leaders work to unscramble the mess to find out who said what or who caused the problem to spiral out of control. Often feelings are hurt and relationships damaged. Problems take much longer to resolve in LTOs.

• ***Focused energy.*** In HTOs, people do not need to be defensive. They focus energy on achieving the vision and mission. They direct their energy toward the customer and against the competition. In LTOs, people waste energy due to infighting and politics. Their focus is on internal squabbles and destructive turf battles. Bad blood between people creates issues that distract managers from the pursuit of excellence. Instead, they play referee all day.

• ***Efficient communication.*** When trust is high, communication is efficient as leaders freely share valuable insights about business conditions and strategy. In LTOs, rumors and gossip zap about like laser beams in a hall of mirrors. Soon, leaders are blinded with problems coming from every direction. Trying to control the zapping information takes energy away from the mission and strategy. HTOs rely on solid, believable communication; LTOs rely on controlling damage and minimizing unrest. Since people's reality is what they believe, not what is objectively happening, the need for damage control in LTOs is often a huge burden.

• ***Retaining customers.*** In HTOs, people have a passion for their work that is obvious to customers. When trust is low, workers display an apathy that is transparent to customers. This undermines top line growth as customers turn to upbeat groups for services. All it takes is the roll of eyes or shoddy body language to lose customers.

• ***A "real" culture.*** People who work

in HTOs describe the culture as "real." They are not playing games in a futile attempt to outdo or embarrass others. Rather, they are aligned under a common goal that permeates all activities. When something is real, people know it and respond positively. When trust is high, people have greater respect for each other. They support and reinforce the good deeds done by colleagues. Reducing the infighting creates extra time to spend on achieving goals.

Saving time and reducing costs. HTOs get things done more quickly because there are fewer distractions and no need to double-check everything, since people generally do things right. In LTOs, there is a constant need to spin things to be acceptable and then explain them. This takes time and drives costs up.

• *Perfection not required.* A culture of high trust relieves leaders from the need to be perfect. In HTOs, people sense the intent of a communication, even if it is poorly phrased. In LTOs, the leader must be perfect because people spring on every misstep to prove the leader untrustworthy. Without trust, speaking to groups is like walking on egg shells.

• *More development and growth.* In LTOs, people stagnate because there is little emphasis on growth. All energy is spent jousting. HTOs emphasize development; there is a constant focus on personal and organizational growth.

• *Better reinforcement.* When trust is high, positive reinforcement works because it is sincere and well executed. In low-trust organizations, reinforcement is often considered phony, manipulative, or duplicitous which lowers morale. Without trust, attempts to improve motivation through reinforcement programs often backfire.

• *Positive culture.* The HTO culture is refreshing and light. People enjoy coming to work because they have fun and enjoy their coworkers. They are also twice as productive as their LTO counterparts. In LTOs, work is a hopeless string of sapping activities foisted upon them by clueless morons.

LTOs can't be fixed by an outsider. The leader needs to say, "The culture here stinks, and it must be my fault because I'm in charge. How can I change *my behavior* to create higher trust?" With that attitude, there is a real possibility an outside coach or consultant can help the organization. Sadly, most leaders are blind to how they contribute to low trust; in those cases, there's little hope of lasting change. **LE**

Robert T. Whipple is CEO of Leadergrow and author of The Trust Factor. *Visit www.leadergrow.com or call 585-392-7763.*

ACTION: Create a high-trust culture.

Creating New Leaders

Go from fire-fighters to visionaries.

by Drew Marshall

THE COMPLEXITY OF organizations reflects the inter-connectedness of systems, processes, and people. Without a path that builds long-term stewardship skills, leaders burn out—and organizations suffer. Are long hours a badge of honor or a hazard? Is darting from issue to issue a testament to flexibility or an inability to have meaningful impact?

The Three-Fold Leader

Effective leaders balance the time they spend on vision and doing, and occasional resolution. Leaders can't delegate or neglect the creation of a compelling and engaging vision. They can't remain fire-fighters or get lost in the details of implementation. The decisions leaders make drive strategy implementation. The problems they solve are the most intractable.

We need to develop high-potential managers into three-fold leaders who: 1) envision a better future; 2) grow from successful individual contributors into mentors who get the best from everyone; and 3) resolve operational issues rarely, when they, and they alone, can resolve them.

Vision. We need to develop leaders who embrace *vision* over motion, *change management* over meaningless action, and *issue resolution* over fire-fighting. Success is not tied to the latest technology or business model. It is the way our leaders see the future, create a path to realize it, and resolve impediments.

Vision drives change and determines the future. Without a clear, compelling vision, organizations are left to the shifting winds of market forces—essentially responding to the enacted vision of other enterprises! Yet most vision statements possess the vigor of wet rag and fail to galvanize people.

Vision is specific, compelling, shared, and comprehensive enough to enable people to start with the end in sight. Every action is a step on the path to achieving the promise of the future.
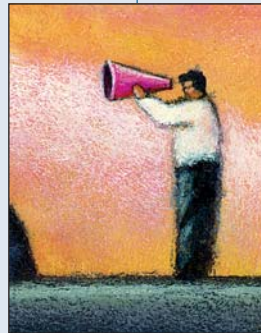
"Vision without action is a day-dream, and action without vision is a nightmare." When vision fails, a lack of specificity is often to blame. Beware of creating a leader who is only visionary. From vision flows decisions that determine what people will and won't do. If few options are eliminated, action is unfocused. "Seers" create organizations of unrealized potential.

Vision is malleable and scalable. For a manager, on the path to becoming a leader, learning how to develop vision can start early. Ask managers to craft a vision for their team within the context of the organization's vision and strategy. Good leaders craft a vision that reflects the language of the group to describe a future that is specific, compelling, shared, and comprehensive enough to be meaningful to all.

Change. The ability to manage change is the next range of skills for developing managers as leaders. As John Porter says: *People underestimate their capacity for change. There is never a right time to do a difficult thing. A leader's job is to help people have vision of their potential.*

With clear vision, anything is *possible.* Making it *probable* is the hard part. The key for successful change is the human element. Nothing beats the power of people working in concert, their end goal shared and their objectives aligned. Good project managers can become good leaders. Leaders manage expectations, commitments and accountability and tie it all together with communication. But the leader's role is not *to do* but *to enable.* Chief Doers can't achieve what they must as leaders if they micro-manage activity. Leaders use vision to inform implementation.

Resolution. Great leaders see challenges *within a strategic context* and reach beyond the impulse to fix things. Typically leaders are drawn from the best problem solvers. But past success is why too many leaders focus on operational rather than strategic issues. We love the heroic "Fire Fighter," but the very fires being extinguished arise due to a lack of vision and planning. By focusing new leaders on the vision and its implementation, we can convert the best fire-fighters into visionaries.

By developing leaders who can create a vision, manage change, and resolve issues, we can build the bench strength for tomorrow's success. **LE**

Drew Marshall is Chief Innovation Officer at Kepner-Tregoe. Visit www.kepner-tregoe.com or email info@kepner-tregoe.com.

ACTION: Develop three-fold leaders.

Accepting Feedback

It's a challenge for all leaders.

by Howard M. Guttman

LEADERS OFTEN EXPERience difficulty in doing away with the traditional leader-follower model and moving to a horizontal approach where the leader and team members agree to play by a new set of ground rules.

When we asked Helen McCluskey, president of Warnaco's Intimate Apparel and Swimwear Group, about creating a horizontal, high-performance team, she responded, "My toughest challenge is learning how to deal with negative feedback. At first, I took it well on the outside, but then overanalyzed, dwelled on it, and catastrophized it."

In theory, leaders understand the need for everyone on the team to possess the leadership skills and authority formerly reserved for the leader alone. That authority includes the right and the obligation to call one another—or their leader—on behaviors that compromise business results. But this new notion of accountability is easier understood than practiced. The leader needs to learn how to receive feedback, and the team needs to feel comfortable delivering it.

Three Actions to Take

Here are three actions you can take to lessen the discomfort for both sides.

1. Give them the green light. Knowing how difficult it is for people to give him negative feedback, Larry Allgaier, CEO of Novartis's Global OTC business, makes it easy. "If I have an inkling that something is troubling someone," he explains, "I initiate a conversation that makes it easy for them to give me the feedback. For example, I called our GM in France and said, 'I don't think I'm as connected with the European GMs as I need to be. What do you think?'" Knowing he had "permission" to deliver honest feedback, the GM didn't hold back. His response: "You're right, Larry. I understand that the developing markets may need you more this year, but we would like to see you in our countries more often."

Allgaier believes that, "Getting good feedback, honest and timely, is hard for any executive because of the natural fear in the system. You have to disarm people if you want the truth, and the faster you can get the truth, the faster you can apply the learning."

In contrast to Allgaier's informal approach, Joe Amado, past CIO of Philip Morris USA, formalized the feedback process. Every year, he asked members of his IT team to complete a "leadership scorecard" on him. "It's like 360-degree feedback, but it's not on paper. It's person to person." Joe kicked off a half-day meeting, then left team members to confer and answer questions in four categories: How well does Amado allocate resources? Provide direction? Build capabilities? Give feedback on performance?

They gave him their honest feedback, and Amado carefully considered their input and made adjustments to

progress toward high performance.

2. Don't take it personally. As chief learning officer for Mars, Jon Shepherd is part of the global people and organization (HR) team. One post-alignment session included a review of the team's answers to the questions, "How would you rate your leader's performance, and what does he need to do differently to improve it?" Shepherd believes that the team's leader showed bravery in the way he handled the feedback.

"Hearing these things can shake you up and raise doubts about your abilities," says Shepherd, "but our leader never got rattled or became defensive. He just listened. He didn't try to explain or excuse himself; he didn't try to provide solutions. He just absorbed it." The leader then led a follow-up session in which he first "reflected" back the team's concerns; then, they jointly identified actions they could take to address the situation.

Shepherd's team leader was textbook perfect: He depersonalized the group's comments, treating them as a "business case" rather than an attack.

Depersonalizing feedback was hard for Roy Anise, former VP and GM of Chrysalis Technologies, a division of Philip Morris USA, and his team. He says: "Their self-worth always seemed to be on trial. They didn't understand that being questioned didn't imply being criticized personally." Anise helped the team break out of this mindset by role-modeling willingness to take accountability for his performance and depersonalizing feedback. He told them that, if they saw him not living up to his commitments and came to him with that feedback, he would view it as a gift. He even distributed a number of Starbucks gift cards to his team and asked them to give one back to him each time he transgressed, so they would feel as though they were giving him a gift.

3. Act on their comments. Being open to feedback is one thing—acting on it is an even bigger challenge. When Roy Anise received candid feedback from the members of his team, he was surprised to learn that they judged him to be far more aggressive than he believed he was. He received similar feedback from his boss, which spurred him to seek coaching.

During his first session with the coach, Anise explained that he was unsure of how his team was progressing and where he needed to take it.

The coach commented, "I have no idea what you're thinking. I can see why people who work for you feel the same sense of not knowing what's going on with you and why they're intimidated."

Anise bristled at the exchange. But a day later, he contacted the coach to thank him for his insight. As Anise said about his coach, "He exposed me, and initially I didn't like it; but I needed to hear it." Once Anise had seen himself as others saw him, he could begin making changes. As he projected a more open, receptive image, his team became more comfortable offering opinions and raising objections.

Feedback need not be a negative experience for the leader who receives it or the players who give it. When players deliver it in the right spirit—*feedback*, not *feedattack*—and the leader takes it as constructive criticism and acts on it, the team ends the winner. **LE**

ACTION: Take these actions during feedback.

Leadership Gap

Fill it with emerging leaders.

by Pamela Tate

LEADERSHIP DEVELOPMENT and succession planning are hot topics—for good reason. As Boomers approach retirement age, many worry about the loss of skills, knowledge, and experience and see the need to build next-generation leaders.

The Boomer retirement bubble is exacerbated by an education gap. Among 55- to 64-year-olds, the U.S. ranks first in employees with postsecondary credentials (36 percent). But among young adults (25 to 34), only 37 percent have such credentials; in some other countries, over 50 percent of employees in this age group have such credentials, dropping the U.S. ranking to 10th place behind countries like Canada, Korea, and Japan. These stats do not bode well for U.S. companies.

Hence, many employers are looking beyond Hi-Pos to their entire pipeline of talent. What practices promote development at every career stage? What policies encourage advance degree attainment? What are leading employers doing to prepare their workforce for future challenges?

CAEL's L&D Practices

The Council for Adult and Experiential Learning (CAEL), a non-profit organization, has nine exemplary practices for building emerging leaders.

1. Drive learning with leadership vision and commitment. The CEO and senior managers must elevate learning and development. Tim Reedy, CEO of Conference Plus, discusses development with employees through group "Lunch and Learns" and quarterly "All Hands Calls," enabling every employee to be informed and heard by the CEO.

2. Align employee learning with business goals. Top leaders should adopt clear goals, communicate them widely, and ensure that L&D activities are aligned with the goals. IBM's goal, for example, is to help set the innovation agenda for its clients. IBM wants its people to be innovators in their roles so that they can be resources for their clients. The innovation theme is incorporated into each employee's annual commitments, enabling them to identify their goals and development needs.

3. Strategically position L&D functions within senior management. A HR leader or CLO must be part of the top management team. Consider creating new roles and functions to lead talent development. US Cellular created a VP of Organizational Learning and Chief Teaching Officer to lead the design and execution of its L&D strategies.

4. Emphasize LD at all levels. Since leadership skills are essential for all employees, you need to develop talent from within. Focusing only on Hi-Pos poised for top positions won't prevent the talent crunch. GE Commercial Finance fosters a growth culture for future leaders with a leadership pro-

gram that combines job rotations by assignment, leadership interaction, and unique training opportunities. All employees gain a broad view of the company while quickly developing core professional skills and experience.

5. Expand knowledge beyond job-related or technical skills. Investments should be made to develop well-rounded, versatile employees through tuition assistance programs, customized on-site training, and personal development options. To meet skill shortages, Northwestern Memorial Hospital (NMH) is developing its people for future health care leadership positions. NMH participates in the *School at Work* program. Once a week at work, participants are exposed to several health care occupations, given career planning tips, and meet with college counselors.

Tuition assistance programs must be managed effectively and evaluated against best practices to meet talent development goals and spur growth.

6. Structure informal learning opportunities. Employers should integrate work and learning through team projects, cross-training, rotational assignments, and problem-solving exercises. People often learn better from experience, hands-on training, and self-directed learning. Diamond Consulting developed online forums for self-directed learning and peer learning communities and a variety of educational programs including *Corporate Citizenship*, which provides leadership training through volunteer opportunities. Diamond also developed a Knowledge Center available to employees 24/7.

7. Use innovative technology to meet learning objectives and to manage your education and training offerings. Deloitte effectively uses e-learning by offering 6,000+ online courses on their Learning Center Web site. Courses use a blended approach that combines an e-learning course with an instructor-led course. This application-based learning integrates business concepts into training so employees can immediately apply what they learn.

8. Form alliances with educational institutions. Develop customized degree, certificate and non-credit programs collaboratively with education and training providers to ensure that the curriculum meets talent and skills needs. Advocate, a Chicago healthcare provider, has created partnerships with local community colleges to develop programs (including degree- and certificate-bearing programs). They also participate in the DuPage Health Care Leadership Group, which unites local health care providers with colleges and universities to discuss learning needs.

9. Assess the impact of T&D investments. This can include analyzing how training and tuition assistance participants perform against other employees, and looking at the effects on performance, recruitment, retention, bill rates, and other factors. To analyze the ROI of its training, Accenture partnered with the University of Chicago. The study showed that Accenture receives a 353 percent return on learning.

Through CAEL's Tuition Assistance Management Service, Verizon Wireless has quantified results on its tuition assistance and career advising program and assessed the impact on recruitment, retention, mobility, and performance.

Implement these exemplary practices to build your talent pipeline. **LE**

Pamela Tate is President and CEO at CAEL. Call 312-499-2600 or visit www.CAEL.org.

ACTION: Fill your emerging leader pipeline.

Designed Development

H o w   g o o d   i s   y o u r   L D   p r o g r a m ?

by Gregg Thompson

LEADERSHIP DEVELOPment workshops are expensive. And I'm not just referring to the cost of facilities, materials, trainers, and bagels. When a company takes 20 managers out for several days, it makes a major investment in their development.

The architects of LD workshops need to ask: *Have we designed a program worthy of this investment?*

We've learned that 10 core design principles lead to a great experience.

1. Research-based content. Anyone can cobble together some interesting exercises and experiences, but to what end? We know the outcomes of great leadership—alignment, engagement, retention, productivity, teamwork, agility. There is little mystery here. What many designers ignore is all the research on what specific leadership behaviors, practices, and approaches create these outcomes. *A great LD program enables participants to make an immediate, positive impact.*

2. Engagement. The frenzied pace that most managers face today has turned thoughtful participants into skittish, distracted bystanders infected by a self-imposed form of ADD with one eye on their Blackberry and the other eye on the door. It's not that these managers are disinterested in their development; they are simply products of today's frenzy. To get their attention, you must entertain them. *Describing a good LD program as entertaining may be reckless, but if the program can't compete with the myriad distractions facing managers, you will simply be hosting adult day-care.* Videos, stories, games, debates, physical experiences and colorful materials play a role in participant engagement.

3. Story-telling. Every participant comes to the workshop with their own unique leadership story that has grown out of their experiences, beliefs, fears, biases, and aspirations. A great workshop challenges the participant to create a bigger story for him or herself and the people that they lead. This can only happen when the participant has the opportunity to tell his or her current story and have it honored in the classroom. Once this happens, a new story can be crafted. *The greater the story, the greater the development.*

4. Feedback. No workshop ingredient is more potent than feedback. Whether it be multi-rater assessments or direct one-on-one communication, feedback is a powerful stimulus for personal change. That's what leadership development is—personal change. What limits the use of feedback in leadership workshops? It is largely our own arrogance. Too often we feel that participants can't handle the feedback. They are too fragile. They will somehow be damaged by our words or those of colleagues. Or it may be our own insecurities. We might lose control of the workshop. Emotions might run rampant. We will not survive the

resulting damage. Remember, the workshop is not about you; it's about the participant. *Be bold in creating a feedback-rich environment. Someday, participants will thank you for the gift*.

5. Appreciation. The problem with many LD workshops is an underlying assumption that the ideal leader needs to develop a predetermined set of competencies while becoming some fantastic amalgamation of Mother Teresa, Martin Luther King, Gandhi, and Jack Welch. We do not discard these elements entirely from the design process. Culture and strategy rightly have a bearing on workshop design, and we can learn much from great leaders. However, the best LD workshops are based on the assumption that all participants come uniquely gifted for the challenge of leadership, and the role of the workshop is to help them identify and cultivate these gifts. It is not our job to help them become the next Steve Jobs, but rather someone much more potent—the best leadership version of themselves. *A program designed to help participants accelerate the development of their natural strengths is more potent than one designed to fix participants or change them into the model leaders.*

6. Intense experiences. When I ask workshop participants to reflect on five items and select the one that has the most influence on their development as a leader: 1) reading and research; 2) performance appraisals; 3) coaching and mentoring; 4) challenging experiences; and 5) formal training, I find that *challenging experiences* is selected by over 90 percent of respondents (*performance appraisal* always comes in last). And yet most designers fill the agenda with content such as succession planning models, managerial competencies, and corporate values. While the intention to provide relevant material is laudable, this information is largely ignored. People can read. Give them the content beforehand. Use the workshop as a learning laboratory where the participants are confronted with real leadership situations. Challenge them to practice leading higher levels. *Create a curriculum that exposes participants to intense experiences, and allow them to experiment with new behaviors and approaches.* This will accelerate their development. (Most savvy managers have read many of the tenets and books on leadership.)

7. Peer coaching. In my survey, *Coaching and Mentoring* always comes in second. One-on-one learning is powerful because, for a time, it really is all about me. Because coaching requires no content knowledge, any participant can coach another with a little guidance. For those of us who make our living standing in the front of a classroom trying to be insightful, witty and sage-like, we can't accept that the average peer coaching session is more effective than our most brilliant lecture. *When possible, get your body and ego out of the way and let participants talk to each other.*

8. Self-awareness. It has been said that LD is an inside-out game. I like the way Manfred Kets De Vries puts it: *"Healthy leaders are passionate . . . They are very talented in self-observation and self-analysis; the best leaders are highly motivated to spend time in self-reflection."* The LD program provides the perfect opportunity for the leader to step out of his or her chaotic schedule, put it in neutral, and take a long, fresh look inward. After all, the only thing participants can work on to improve their leadership is themselves. *Put sufficient*

white space into the workshop design so participants can personalize the learning. Most managers can't remember the last time they took 15 minutes to contemplate their own leadership journey. Give them the 15 minutes.

9. Performance breakthroughs. The most frequently voiced dissatisfaction with leadership workshops is the lack of application on the job. It's not because workshop participants do not want to change; it's just that real change is so difficult. The pressures of the job, lack of support from their manager, no time . . . the list goes on. Significant improvement in leadership effectiveness rarely occurs in one big leap. We don't see the freshly-trained leader walking through the hallways wearing saffron-colored robes, musing about shared community values and throwing rose petals on others (metaphorically speaking, that is). *Change occurs incrementally and is fueled by short-term successes—a process that needs to start in the classroom.* Bar the classroom door and let no one leave until they have demonstrated at least 10 performance breakthroughs (metaphorically speaking). Real change starts in the workshop, not back in the office. Start the habit of experimentation and incremental change in the LD workshop.

10. Learning accountability. I kickoff many of my leadership coaching assignments with the irritating question: "So, Sally, if nothing changes in your performance, what is likely to happen?" Besides the mischievous delight I take in tormenting my clients, I've learned that I can serve them best by insisting that they take full responsibility for their actions, decisions, learning, and future. Unless they take personal accountability for their development, they will always blame someone else—their board, staff, customer, or mother. So, too, with a leadership workshop. Often ask the question: *what have you learned about yourself and what are you going to do about it?*

Our clients often report that the time they spend in our LD workshops is the best of their careers. Is this because we have great facilitators? Yes, we do, and a great facilitator can turn almost any curriculum into an important learning experience. But we also try to adhere to these design principles, which tell us that the workshop is not about us but about the participants. **LE**

Gregg Thompson is President of Bluepoint Leadership. Email greggthompson@bluepointleadership.com or visit www.bluepointleadership.com.

ACTION: Redesign your LD program.

Energetic Leadership

Build capacity for sustained success.

by Kevin Cashman

Since energy is a defining characteristic of leadership, how can you generate more energy for leading people in teams and organizations?

One answer is to amp up your "relational energy" by being around other people who have high energy. For example, when asked to comment on their experience in the grueling CEO Ironman Challenge, participating executives often talk of the *relational energy* they gain from their race mates, rather than the *physical energy* drain of the test.

Today, you can't just be leaders by rank, title, or position—you must be a true leader developed from the inside-out. Your ability to generate and spread energy may be the most telling sign of your leadership. Managers tend to such resources as time, money, and technology. In contrast to these resources, energy is near-limitless—not so constrained by budgets and boundaries and capable of catalyzing great progress.

Energy is the subtext implied in "leading by example." To lead from a center of values and interests, you must have a spark of passion for or devotion to those ideals. People don't want to follow flat, motionless direction; what compels them is bold, on-the-move inspiration.

Switching from a time-management to an energetic leadership style requires a whole-person effort in physical, mental, emotional, and spiritual domains.

Energy can emanate from people so powerfully that it reverberates through the culture for years. Consider the ROE (return on energy) of Martin Luther King, Jr. and Mahatma Ghandi. Their vigor inspired people to act differently.

Purpose Drives Energy

To be powerful, energy needs to be rooted in shared meaning. Many people are active or busy, but their energy is misplaced in areas of secondary interest. To lead with purpose, you must take pause, listening to the body, mind and spirit and appreciating the good things in your life. Sometimes simply reflecting and then writing down your core values and sharing those values with others can focus your energy. The values you discover are likely to be values that are closely held by others.
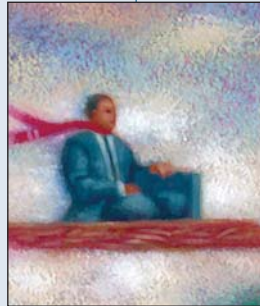
Purpose effectively focuses and usefully expands energy. As evident in the lives of passionate leaders, a sense of purpose generates great energy. Aligning your energies with your purpose in serving others creates more value in all you do and benefits those you lead.

Healthy Habits

What's the secret to being more energetic? Ironically, it's rest. Sound sleep, meditation, and deep breathing are habits that improve the physical, mental, emotional, and spiritual aspects of life. Nature and its cycles of rest and activity provide a reference point. The interplay of day and night and the seasonal cycles constantly balance a rest phase with an active phase.

You get to choose the quantity and quality of your activity and rest. Choose poorly, and your life is out of whack. Choose wisely, and you gain vitality.

Energy management is largely a matter of elevating the quality while reducing the quantity of your daily activities. Exercising, eating healthy, quitting smoking, and reducing alcohol and caffeine intake are healthy habits. To improve your emotional health, you can practice putting yourself in the shoes of others and better appreciate and express appreciation to others. To care for your mind, you can access learning resources—from books to conversations to puzzles and other forms of problem-solving. Spiritually, you can reflect more and find trusted resources and communities to search out questions of the soul.

To boost your energy, you don't need to experience a dramatic transformation—just focus on just one or two well-selected activities and practice them consistently. To gain and maintain high daily energy, you need to cultivate the proper daily habits and state of being. As many CEOs have discovered, deeply-engrained, focused energy is the lifeblood of high-impact leadership. It fosters happiness and optimism, deeper and more proactive thinking, and ultimately brings about more accomplishment with less investment. **LE**

Kevin Cashman is a senior partner with Korn/Ferry International and leadership columnist for Forbes.com. E-mail kevincashman@leadersource.com.

ACTION: Practice energetic leadership.

Imaginative Service

Cultivate qualities of imaginative leaders.

by Chip R. Bell and John R. Patterson

CUSTOMERS ARE BORED! SERVICE providers, chastised by poor survey results, have put all their eggs in the "improvement" basket. Like the story of attempts to free the 18-wheeler truck stuck in the overpass, too many managers have used a "jack hammer or welding torch" rather than simply let the air out of the truck tires.

Getting better has meant improving efficiency—making the service experience faster, simpler, or more accurate. Service designers tend to ask, "How can we satisfy our customers?" rather than "How can we take their breath away?" "How can we make what we have better?" instead of "What if we made it completely different?" We improve rather than reinvent.

We hold up companies like Nordstrom, Starbucks, Ritz-Carlton Hotels, and Best Buy as exemplars—and they deserve credit for elevating the standards. These "service greats" focus on the customer (remember your preferences), design service processes around customer convenience, pay attention to service details, deliver consistency, and ensure you receive warm and friendly attention. Isn't that what service means? When did such stock-in-trade start getting held up as something special?

Something else is happening. We are getting over-stimulated. Television has become both high definition and multi-media. The nightly news shows the weather report, ball scores, stock market numbers, and crawling headlines. Internet servers have become a haven for colorful ads while you try to concentrate on reading your e-mails. That steady stream of sensory arousal has made a simple hotel check-in, taking Spot to the vet, or grocery shopping seem humdrum.

You could argue for a slower pace and a simpler lifestyle. Instead, why not enrich the clutter and harmonize the noise by offering ways to make customers giggle, reflect, swoon, or swell with pride? For example:

1. You take a vacation on a Disney Cruise Line trip that begins with a few days at Walt Disney World theme park. The morning you are to shift from your hotel to the cruise ship, you are told to leave your luggage in their hotel room for pick-up and delivery. Imagine their delight when they arrived on board ship to discover that their luggage was already in their room with the same room number as the hotel—and the same hotel key opened the door!

2. Call a U.S. branch of one European bank and among the "punch 3 for branch locations" options is this one: "Punch 9 if you want to hear a duck quack!"

3. Several hospitals are celebrating the arrival of newborns with a quiet lullaby. First Tune, a program devel-

oped by Mark Maxwell, a classical guitarist, is a system that enables parents in the labor and delivery unit of a hospital to press a button that plays a 20-second lullaby over the hospital's public address system. The tune boosts the morale of patients, staff, and visitors as they share in the good news.

Service with imagination is not about value added—it is about value unique. The goal is not to create devoted customers by bringing them more delight or "wow." The intent is to achieve that goal through stunning, unexpected experiences that make them think, "Whoa!" Organizations good at it have leaders intent on creating a work environment laced with trust, passion, modeling, and fun.

Four Qualities of Imaginative Leaders

Imaginative service can occur without leadership. Some associates work to give inventive service simply out of the belief that customers deserve their best. However, ensuring that imaginative service happens consistently requires a special brand of leadership.

Take-their-breath-away service requires an atmosphere of innovation. Imaginative service leaders are innovators. They seek out people doing new and different things and provide them support, eliminate obstacles, and ensure that their different drumbeat always keeps them marching. They take the heat for these mavericks. They are tolerant of eccentricities, choosing to pay attention to results more than style, to see special gifts as something more than odd ways of doing things. They know that strong substance is more crucial than approval and affability.

They wrap these beliefs into leadership characterized by four qualities:

1. They trust. Reliability is the foundation of trust; trust is the glue of special relationships. Keeping promises is about protecting the sacredness of commitments. It is about caring enough to remember. "Reliability is the foundation of mutual trust," advises Carlo Medici, president and general manager of Bracco Diagnostics. "It is meeting every promise every time."

Trust also means ensuring employees can go the extra mile. It is not about unlimited license; it is about responsible freedom. Imaginative service requires the capacity and the freedom to experiment. It takes leaders who treat employees like owners by ensuring they have the proficiency to make wise decisions, the sense of purpose to provide grounding to their choices, protection from retribution if creativity leads to mistakes, and clear permissions and boundaries that help strengthen the guard rails to avoid recklessness.

2. They show passion. Leaders are not rational beings—they are flame seekers. They passionately "give birth" in the face of threatening circumstances. The biography of every great leader who ever faced the potential of bodily harm accompanying his or her cause communicates this theme: "*Why* we were there played so loud in my ear I never really heard *what* might happen because we were there." In those situations, passion rules—and leaders put issues like "in control" on some emotional back burner. In the end, employees trust passion more than reason. Predictability, rationality, and reason ooze from the seams of every business encounter. Leaders do not have to bring order, sanity, rationality, or logic to the table in every service situation. Every dimension of business life reeks with those qualities. Sane

leaders foster insane passion. Great leaders call up in us a visit with the raggedy edge of brilliance and the out-of-the-way corner of genius. When we feel inspired, we visit the magical realm of passion (and, we return from that realm renewed, and revitalized).

3. They model the attitude they want. Leaders know that attitude is the fuel of imaginative service and understand its power as a driver of success. Attitude counts in making success happen; in fact, it is impossible to be successful over time without a great attitude.

Think about the Walt Disney characters that kids see at Disney theme parks. All Disney characters remain "in character" and "on stage," just as all great service leaders do, for every customer every day. An attitude that shows the spirit of greatness provides energy and magic needed to deliver an imaginative service experience. Done genuinely, it is contagious! Customers love to be served by people whose spirit is unmistakable in its strength and commitment. The consistency and authenticity of attitude causes customers to tell friends about their imaginative service experiences.

4. They have fun. "Don't ever hire someone you'd be reluctant to hug," said one successful CEO, espousing a belief that greatness emanates from a culture of fun and affiliation. When people work around people they genuinely like and enjoy, that spills over into their dealings with customers and into the pride they show in their work.

Great leaders eliminate obstacles to having fun. With rare exception, they are quick to laugh. Some are shy and awkward with emotion. Yet, they soar past their reservation because they value the impact that fun has on others.

"We hire nice people," says Colleen Barrett, Southwest president, "and, then we create an environment that is fun."

"Whatever you can do, or dream you can, begin in boldness," wrote Johann Goethe. "Boldness has genius, power, and magic in it." Imaginative service is unconventional. It springs from a restless, unsettled place—a place leaders must occupy to model service with imagination. It is the habitat of groundbreaking pioneers and norm-breaking entrepreneurs. Inventors and artists of all types reside there. And, it is the origin of the take-their-breath-away service experience that customers long for. **LE**

ACTION: Offer a unique service experience.

Charisma Power

Tap into it to be persuasive.

by Kurt Mortensen

CHARISMA IS THE HIGHest form of leadership. With charisma, people take action—they are inspired by who you are. Great leaders and persuaders master and project charisma. They have a presence and charm about them: they are captivating; they command our attention; we hang onto their every word. Their energy motivates and inspires us. We feel better for having met them, seen them, been persuaded by them, and interacted with them.

What is charisma? It's not confidence, assertiveness, enthusiasm, or personality—although these elements may be part of the package. Attorney Gerry Spence said: "Charisma occurs when your feelings are transferred in the purest form to another. Charisma is not diluted or disguised. It is a raw feeling—the passing of your pure energy, pure passion, to the other."

You can boost your charisma by assimilating the traits of charismatic leaders. Jay Conger notes that these leaders: 1) have a strong and clear vision, and they know how to present it so it best fits their audience's needs; 2) present their vision so that the weaknesses of the present condition are apparent and the recommended changes are seen as not only justifiable, but also desirable and necessary; 3) have a history of success, expertise, and vision to make educated departures from old traditions that may be less effective; and 4) model the behaviors or changes they encourage others to seek.

You can acquire the characteristics of charismatic leaders by: 1) developing confidence in yourself and in your message—confidence must permeate your every thought, word, and deed; 2) showing a lighter side—find your sense of humor and happiness, have fun, don't take yourself too seriously, learn to laugh at yourself; 3) having great presence and energy and building trust by projecting character, competence, confidence, credibility, and congruence; 4) knowing your subject matter and where your audience stands in relation to your subject and what background,

knowledge, and experience they bring; 5) having a pleasant, professional appearance—dress the part and make sure your clothes, hair, shoes, and accessories, are appropriate; 6) being sensitive to people and their needs—develop rapport by connecting with people and listening to them; 7) ensuring your message is clear and easy to follow—don't jumble the message with too much information but stick to the pertinent points and keep it concise to hold attention make your message memorable; and 8) being engaging to listen to by telling spellbinding stories and talking about interesting things.

Passion is also critical to charisma and leadership. Passion recruits the hearts and minds. Great leaders radiate heartfelt passion. When people can sense your passion and conviction for your cause or product, they'll emotionally jump on board. We all love people who are excited and filled with believable zeal for their subject.

When you have passion, you want to share it. You want to convert many people to your cause; you're not swayed by the opinions of others; you have a sense of mission that drives you, stimulates your imagination, and motivates you to high achievement. Passion alone can influence others to support your product, service, or cause.

Charisma and passion are not the same, however. Charisma is a characteristic; passion is an emotion. Your ability to transfer your passion for what you do, your product or service, is a required skill in leadership.

Do you have passion, or are you simply going through the motions?

You can be enthusiastic without having passion. Passion, however, always includes *enthusiasm*—a strong excitement or feeling on behalf of a cause or a subject. Enthusiasm is contagious. People can feel your energy. Enthusiasm sparks interest, motivates involvement, reduces fear, and creates self-acceptance, confidence, compassion, and harmony. Great leaders boost their enthusiasm by developing a belief in themselves and their message, tapping into their emotions.

What are you enthusiastic about? Tap into your purpose and passions and cultivate your charisma and character.; you'll find a driving force that will keep you going until you reach the goal. **LE**

ACTION: Cultivate your charisma as a leader.

Rhino-Leaders

Why do these people excel?

by Christian D. Warren

Peter Drucker said, "It is easy to look good in a boom." In a recession, it's easy for leaders to say, "Times are tough. Nobody's doing well. We expect a downturn in sales." But what if leaders cultivated the mind-set that they can make money and thrive in any economy?

Where can we find the real tenets of leadership that show us how to face any challenge and overcome it? Business leaders are starved for effective role models, primarily because we've been looking in all the wrong places—like Washington or Wall Street.

If you want to see leadership, visit the zoo and head to the rhinoceros—the greatest role model for leadership. Why the rhino? He's sensitive to his environment and a great listener. Listening is a key in leadership. As Drucker noted, "The most important thing in communication is to hear what isn't being said." The rhino is also thick-skinned, well-balanced (on his large three-toed feet) and poised, despite his ungainly appearance.

And like a future-focused leader, the rhino is hard-charging when necessary, and he knows when to rest. He's aware of what other animals in the vicinity are doing, but he doesn't tailor his behavior to match or accommodate theirs. Great leaders set the pace, and like rhinos, are strong enough to carry the weight of the world on their well-armored shoulders.

To succeed today, you need to emulate rhinos. Leaders with a rhino-like mind-set never assume that the environment determines their success. They know they can attract and make money in any economy. In fact, strategically minded leaders with aggressive mentalities thrive during recessionary periods. Their competitors tend to fold when the economy sours, leaving the field wide open for rhino-leaders to charge.

Three Examples of Rhino-Leaders

Who are some of our modern-day rhino-leaders? Let's look at three.

Steve Jobs, CEO of Apple. Jobs launched the updated iPhone at a time when gas prices were soaring, the housing market was in a big slump, and the mood in the country could be described as "grim and grimmer." Jobs could have said, "Let's hold off. The economy's bad, and it will never support a new, expensive high-end phone." Jobs didn't waver. Instead, he charged like a rhino, and it worked.

When Jobs launched the iPhone in 2007, people were lined up around the block at Apple Stores, those distinctive and attractive sales environments, waiting impatiently to get their hands on Apple's newest toy. A year later, people are still waiting in line. In a press release sent just three days after the 2008 launch of the 3G, Jobs announced that Apple had already sold 1 million new models. Apple will likely sell 4.47 million phones in the

fourth quarter this year.

Steve Jobs eschews traditional marketing approaches like focus groups and consumer studies. He has an uncanny ability to take the pulse of the marketplace, bringing out not just new products but new ways of shopping. First, he invents a category, like the iPhone, the iPod or iTunes, and then he turns everybody into people who either possess these things or wish they did.

That's the rhino approach in action: take no prisoners, ignore doomsayers, and create products unique enough and attractive enough to turn them from "what's that?" to "must have." Like a rhino, Jobs tramples everything in his path that suggests defeat. And he gets what he wants most of the time.

Another amazing characteristic of the rhino is his speed—a full-grown rhino is six-feet tall and weighs 4,000 pounds, yet it can move at a speed of 35 miles an hour. Rhino-leaders revel in moving quickly and taking advantage of opportunities.

Gary Kelly, CEO of Southwest. Southwest Airlines posted its 35th consecutive year of profitability, was the most punctual, lost the fewest bags, and had the fewest complaints. Why? Southwest has a rhino for a leader who communicates that while other airlines are cutting back on amenities and charging for services like checking bags, Southwest would offer more services, like Wi-Fi on its flights.

While the news media are creating negative marketing for Southwest's competitors—writing stories on all the ways they are reducing services, cutting back flights and charging for services that used to be free—Kelly trumpets Southwest's strategy of giving customers more. In an era of zero consumer loyalty and enormous information available to all, can you afford to give your customers less?

Tough times call for a tough role model, and no animal has a tougher skin than the rhino. Rhinos are sometimes called tanks because their skin appears to be divided into plates, creating the illusion that they are armor-plated. If you're going to survive and thrive in tough times, you must be just as thick-skinned as the rhino.

Norbert Reithofer, CEO of BMW. He is one thick-skinned rhino. Reithofer and BMW recently launched the 1 Series, a lower-end version, to appeal to younger, less-affluent buyers. When he began to hear criticism that the 1 Series was not a "pure" BMW, rather than bristle at the criticism, he created a marketing campaign via the Internet to let the world know that the 1 Series is every bit a BMW. For weeks, MSN.com and Yahoo.com advertised the 1 Series in dominant positions on their home pages. Go to YouTube and you'll find video clips of the new cars. Other automakers have not embraced new media, which leaves them in a position to be trampled by the fast, thick-skinned, rhino-like Reithofer.

These three top leaders and companies emulate aspects of the rhino: they communicate their message boldly; they offer speed and more services instead of cutting back; and they take a tough-skinned approach to criticism and going after prospects. The rhino always stays on message and is never daunted by changing circumstances. There's always one rhino in every industry. Make sure it's you! **LE**

Christian D. Warren is a leadership consultant and author of Running with the Rhinos *(Cirrus) and CEO of CDW Companies. Visit www.cdwcompanies.com.*

ACTION: Start charging like a rhino.

Get Back on Track

Reaffirm strategy and priority.

by Bob Prosen

WHEN GREAT LEADERS and companies get off track, they recognize the problems and get back on track quickly. When you stray, how can you get back into the winner's circle?

• *You need to reaffirm the strategy and top priorities*, put the right people in the right jobs, with clear objectives and measurements to track performance.

• *Assign ownership to key people* and require them to focus on the vital few objectives. You'll lose focus if you take on too many responsibilities.

• *Be clear about what you're asking people to do.* Eliminate false starts. Give them objectives derived from deep thinking. When you communicate clearly, make requests of people, and get commitments, you make progress.

• *Have a measurement system to track progress* on your top objectives. These measurements act as an early-warning system, enabling you to reprioritize and take corrective action as needed.

• *Discover the root cause of every problem* so that you don't waste valuable resources fighting the same problems. This inefficiency generates unnecessary costs and prevents you from focusing on what's most important to move forward and accelerate profitability.

You can use these steps to turn around companies, close more sales, reduce overtime, improve on-time delivery, turn loss into profit, increase employee and customer satisfaction.

Ask 11 Questions

Ask yourself these 11 questions:

1. Do you have the right strategy and top objectives, supported by the management team? Your strategy must provide clear direction in concise language that's easily understood by all and produce sufficient profits.

2. Do you surround yourself with smarter people? Are your direct reports giving you ideas that you never knew were possibilities? Given the choice, would you pick those people again to be on your team in the same positions? Use these criteria to build your team.

3. Do you have formal monthly operations review meetings? This is an

effective way to instill accountability and achieve objectives. It's the perfect forum to review results, remove roadblocks, ask for assistance, and hold people accountable for results.

4. Do you keep people focused on achieving the top objectives? Have you identified your top objectives, and do people know them and see how what they're doing helps achieve them? Communicate objectives, hold people accountable, and visibly post key objectives and performance so everyone knows how they're doing daily. Meet regularly with your teams to discuss progress against goals.

5. Do you manage people too closely? If so, back off and learn to delegate. Let people do their jobs. However, when things go off course, address problems and correct the situation. It's not fair for good people to be burdened with the incompetent. When you need to make personnel changes, do it. Cut the dead wood. Don't rationalize.

6. Are you helping people prioritize actions in alignment with key objectives? Everyone wants to do it all, but you can't. Help the organization triage initiatives and give them permission to stop doing a number of tasks.

7. Are meetings effective? Pop into meetings and listen. Are people solving problems and talking about things they can do to move the company forward, or are they focused on complaints, excuses, and extraneous issues? Explain how to effectively conduct meetings focused on achieving results and hold people accountable for improvement.

8. Are you watching for team members who are focused internally, not externally? Be aware of negative politics that show up in e-mails, meetings, hallways, and break rooms. When you hear people talking about *what's best for me* instead of *what's best for the company*, nip it in the bud. Focus behavior on the success of the team. Recognize and reward individual performance in context with how it supports company goals.

9. Are you asking people what they need to succeed? When you ask someone to do something and give them a deadline, also ask them if they have everything they need to make that

deadline. If not, deal with it immediately. When people fail to meet goals or deadlines, ask what actions you can take and what's required from others?

10. Are you watching for busywork? Attend to staff and other functions, such as accounting, HR, and IT. Are they engaging in non-essential work and generating unnecessary reports instead of actions that support top objectives?

11. Have you run out of time to plan? Are you running to keep up, missing commitments, attending too many meetings, being reactive instead of proactive? Do you regularly take vacation? Does everyone come to you for answers? The devil is in the details. It's time to release some of those details.

Make the Right Decisions

Make decisions that have the biggest impact. If you're involved in small decisions, you're not working on the right things. Here's how you fix it:

1. Determine your top three priorities. Write them and keep them on your desk to avoid distractions.

2. Delegate more. Delegation is not abdication. You don't turn your back. Stay involved at appropriate points until your goals are realized.

After you reprioritize, schedule time for planning and for thinking about the Big Picture and the Next Big Thing.

Institutionalizing Success

To achieve extraordinary performance and profit, you must demonstrate relentless pursuit of vision; show an unyielding commitment; face tough realities; avoid excuses and rationalization; recognize the distinction between profit and cash flow versus revenue and growth; surround yourself with experts; have clear objectives; have accurate and timely metrics to evaluate performance; act quickly to overcome problems as they arise; run lean; build a culture based on accountability and focused on execution; encourage a free flow of information; remain flexible; adapt readily to change; reward results, not activity; and have a support group.

Sustaining and accelerating high-performance results and profitability provides your company with choices unavailable to competitors. At the start of the day, it's all about possibilities. At the end of the day, it's about results. **LE**

Bob Prosen is author of Kiss Theory Good Bye *and president of The Prosen Center for Business Advancement. Visit www.kiss-theorygoodbye.com or www.bobprosen.com or call 972-899-2180.*

ACTION: Get back on track.
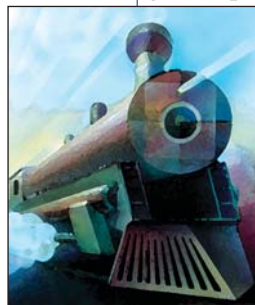
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