LEADERSHIP
Excellence

Warren Bennis's

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

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MAY 2011

Healthy Growth

Your Culture

Leadership Sustainability
Turn Learning into Action

Dave Ulrich
The RBL Group

"Leadership Excellence is an exceptional way to learn and then apply the best and latest ideas in the field of leadership."
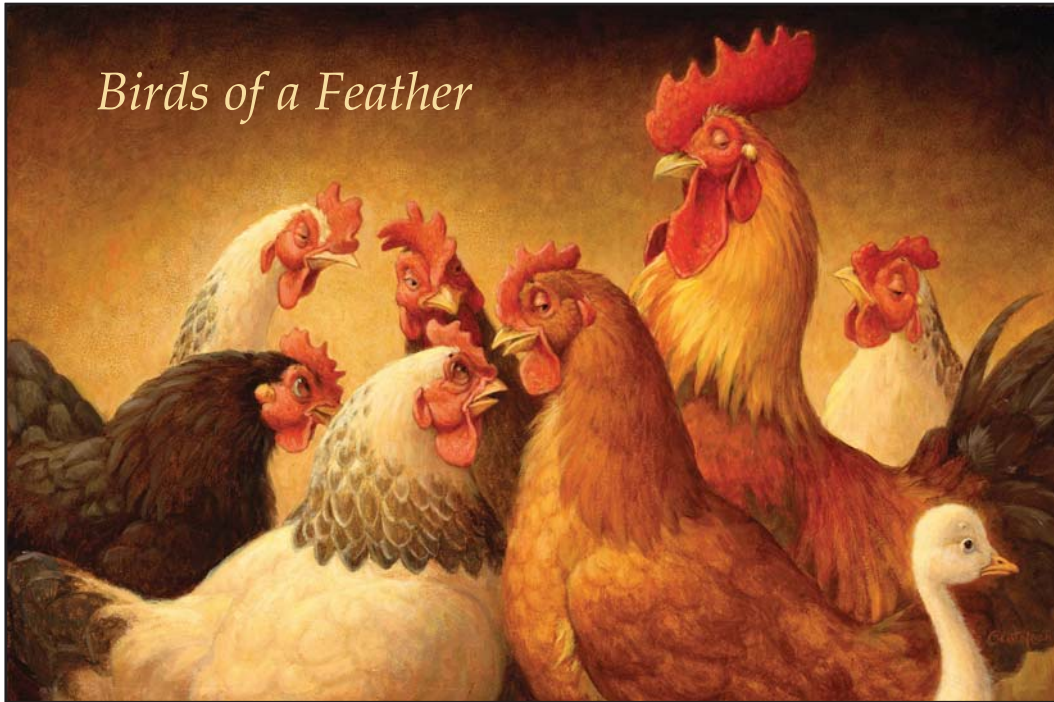—WARREN BENNIS, AUTHOR AND USC PROFESSOR OF MANAGEMENT

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Birds of a Feather

As leaders of a feather roost and flock together, they inevitably exclude some who just don't fit in (the oddballs, the ugly ducklings) not realizing that ugly ducklings eventually become beautiful swans.

Inside Out, Outside In

We're livin' La Leadership Loca.

by Ken Shelton

I WAS SPEAKING WITH *Jenny Hoefliger* of Grupo BPMO in Barcelona, Spain recently, reminding her that we have more Hispanics living in the U.S. (50 Million) than live in Argentina (40 million)—and about the same number as live in Spain (50 million). Hispanic pop star *Ricky Martin* sings, "Upside, inside out, we're livin' la vida loca."

And we're *Livin' La Leadership Loca*—as evident in a debate sparked by the article in April *LE* by *Dave Ulrich*, coauthor of *Leadership Brand*, and *Laura Lopez*, author of *The Connected and Committed Leader*.

Laura: I don't agree with the *outside/in* approach to leadership branding.

Dave: We think that leadership from the *outside/in* has the potential to add more sustainable value than leadership from the *inside/out*.

Laura: I believe both approaches are valid and essential. The question is *which one is the starting point?* Brands are often defined *in the minds of others*, and part of the branding process is to connect the brand to the needs and expectations of the target. Like product or service brands, personal brands must also go through this process. However, traditional brands start from the *outside/in*, with competitive market analysis; but personal brands need to start with the product, the person. When it comes to developing a personal brand as a leader, we need to first understand *our unique strengths and values* since this helps us identify *our best target market*. I help leaders to see what markets will be most receptive to their unique brand offering, as opposed to force-fitting a leadership approach to meet the needs of a certain target. I find that some leaders are ineffective because their strengths and values don't reflect the needs of the group they lead. So, I start with the *inside*, then move to the *outside*. I find that it helps build more authentic leaders looking for the right target.

Dave: The dominant view of most leaders is *inside*! Leaders should have IQ, EQ, values, judgment, authenticity, ethics, etc. Our point of view is that we need to connect the *inside* to the *outside*. Brands are not useful unless the create value for the customers. *Value* has to be defined by the receiver, not the giver. We see a host of LD products and services and leadership theories, but until

and unless they add value to someone *outside* (customer, investor, or someone else) there is no value created. We might have leaders who are kind, nice, thoughtful, and insightful, but until they do something that creates value for customers, they won't be effective. The "strengths" movement is based on work by *Martin Seligman*, father of positive psychology. He finds that lasting happiness comes through the service to others. Focusing on strengths limits growth, stops career progress, and does not create *sustainable value*. So we want to challenge, prod, and push those who practice leadership to think a little less about *who they are* and a little more about *how they create value for others*.

Laura: I agree that you can't have a brand until you connect the *inside* to the *outside*. After all, this is what branding and leadership are all about—connecting to users, followers, consumers, and customers. Without this step, we're not creating a brand. I thought that you went straight to the *outside* with little regard or focus to the *inside* work. However, as you suggest, much leadership work is focused on the *inside*, with branding incorporating more of *the external view*. I think we are in *violent agreement*. I use *strengths* as a way to look at the unique differentiators of a personal brand. Strengths are some of the *brand benefits*, and how you connect them to your target audience is the key to *branding yourself as a leader*. Although a *brand identity* is created in the mind of others, brands must proactively shape that perspective. In marketing, it's *position, or be positioned*. Feedback from others, combined with the internal view, shapes the final brand. Having said that, I agree that leader must be very focused on the impact they have on others—a key in creating leadership brand.

Dave: I hear some (*not you*) say they connect the leader's work to those who receive it, but their work is *99 percent internally focused*, either *inside* the leader (personal strengths or skills) or *inside* the organization (what do we need to be effective). We believe *value* is defined by the receiver more than the giver, so leaders need first to understand the desired outcomes of their leadership, then ensure that they can deliver on these outcomes. We get to the *inside* from the *outside*.

The upside of this inside/outside debate is *Leadership Sana*.

Ken Shelton

Editor since 1984

Laura Lopez

Executive Excellence Publishing

Leadership Sustainability

Ensure that the principles become practices.

by Dave Ulrich and Norm Smallwood

MOST OF US WHO WORK IN THE FIELD of leadership development (LD) have taught a course on *the principles of effective leadership*; coached an aspiring leader how to interpret and use 360 feedback; or reviewed LD plans with the board or executive committee.

Implicit in such conversations are the noble desire that *principles become practices*, that *data turns into action*, and that *plans become realities*.

One of our favorite cartoons shows turkeys attending a two-day training program to learn *how to fly*. They learn principles of aerodynamics and practice flying in the morning, afternoon and evening. They learn to fly with the wind and against it, over mountains and plains, and together and solo. After the two days, they all *walk* home.

Often our desires to develop leadership are dashed against the headwinds of making change last. We can orchestrate training and coaching where individuals learn *why* they should lead and *what* they should do to be better leaders. We often find that the greater challenge is how to turn these events into an *on-going pattern of desired behavior*. We call this shift from hope to results *leadership sustainability* (LS).

LS is not just what the leader does, but how others are impacted by the leader's actions. We judge ourselves by our *intentions*, but others judge us by our *behaviors*. LS has to show up both in personal intentions and in observable behaviors. *Environmental sustainability* is about caring for earth's resources by reducing our carbon footprint. LS is about caring for organizational resources by adapting and changing leadership patterns to align with shifting requirements. *Social sustainability* is giving back to the community through social responsibility initiatives. LS occurs when leaders take personal responsibility to ensure that they do what they say they will do. *Corporate sustainability* is a long-term commit-ment to changing the world in which we live and work. LS is a lasting, durable *commitment* to personal change.

Leadership sustainability matters. We have articulated *why* leadership matters and *what* good leadership looks like. In our work on *Leadership Code* and *Leadership Brand*, we articulated both the basic rules of leadership (shape the future, make things happen, engage today's talent, build the next generation, invest in yourself) and the differentiators that will distinguish leaders by turning customer expectations into leadership actions. We spent most of our effort on the *why* and *what* of leadership. But, we still struggle with the *how* of leadership: *How* will well-intentioned leaders actually do what they intend? *How* will leaders turn their personal learning into desired actions and results? *How* will leaders change their

own and others minds, hands, feet, and hearts to get things done? *How* will organizations make investments in LD that have the desired long-term results? In brief, *how do we build LS*?

If leaders lack a strong sense of *why* they should change or *what* they should change to, LS does not matter. But, once leaders accept *why* they should change and understand what they should change to, we must deal with *how* to make leadership change happen.

Seven Leadership Practices

To learn *how* to build LS, we culled insights from the literature on leadership and several other disciplines:

1. Simplicity. Leaders focus on a *few key behaviors* that have high impact on key issues. Leaders have to cope with complexity in the world and in their personal leadership style. Most leaders create *to-do lists* of things they should change, but they get *overwhelmed* when they try to change them all at once. LS requires that we find simplicity in the face of complexity and replace concept clutter with simple resolve. It entails prioritizing the behaviors that matter most, shifting from *analytics with data to action* with determination, framing complex phenomenon into simple patterns, and sequencing change.

2. Time. We often ask leaders to tell us their priorities, which most can do. Then we ask them to review their calendar for the last 30 days and show us how much time they spent on these priorities. Leaders put their desired behaviors into their calendar and this shows up in how they spend their time. Employees see *what leaders do* more than listen to *what they say*. LS shows up in who we spend time with, what issues we spend time on, where we spend our time, and how we spend our time. When leaders invest their time as carefully as their money, they are more likely to make change happen.

3. Accountable. A cycle of cynicism occurs when leaders announce wonderful aspiration statements (vision, mission, strategy), but fail to deliver. Over time, this cycle of failure breaks down trust and erodes commitment. LS requires accountability where leaders take personal responsibility for doing what they say. Accountability increases when leaders assign personal commitments from others and follow up on them. Over time, the *leader's agenda* becomes the *personal agenda* of others.

4. Resources. Leaders dedicate resources in order to support their desired changes with coaching and infrastructure. Resourcing implies institutionalizing. Steve Kerr, former CLO at GE and Goldman Sachs, cleverly observes that a training challenge is to *make an unnatural act (listening to others) in an unnatural place (a training program) a natural act in a natural place*. Coaching and HR practices create part of the *infrastructure* of sustainability. Marshall Goldsmith finds that when leaders have on-going coaching, they're much more likely to enact desired behavioral change. We find that a mix of self-coaching, expert coaching, peer coaching, and boss coaching can resource *sustained change*. HR practices can create the culture. Selection, promotion, career development, succession planning, performance reviews, communication, policies, and organization design may be also aligned to support leadership change.

5. Tracking. The maxims are true: *we get what we inspect not what we expect*; *people do what they are rewarded for*; and *don't reward one thing while hoping for a different outcome*. Leaders must measure

their behavior and results in specific ways. Unless desired leadership behaviors and changes are operationalized, quantified and tracked, they are nice to do, but not likely to be done. Effective metrics for leadership behavior need to be transparent, easy to measure, timely, and tied to consequences. LS may be woven into scorecards or become its own scorecard to ensure that leaders monitor how they are doing.

6. Meliorate. Leaders improve by *learning from mistakes and failures* and by demonstrating resilience. Change is not linear. We don't start at point A and end up in a logical and smooth progression to point Z. Usually we try, fail (or succeed), try again, fail again. When we learn from each attempt, the outcomes we intend eventually come to pass. LS requires that leaders master *the principles of learning*: to experiment frequently, to reflect always, to become resilient, to face failure, to not be calloused to success, and to improvise continually.

7. Emotion. Leaders who ensure sustainability have a personal passion and emotion for the changes they need to make. *Sustained change* resides not just in the head with an intellectual agenda, but also in the heart with a strong emotional agenda. Action without passion will not long endure, nor will passion without action. Leaders ensure *emotion* by drawing on their deeper values and finding meaning in the work. LS occurs when leaders not only *know*, but *feel* what they should do to improve. This passion increases when leaders see their desired changes as part of their personal identity and purpose, when their changes shape their relationships with others, and when their changes shift the culture of their work setting.

The mnemonic for these principles spell **START ME**. This is apt since *sustainability starts with me*. When we apply these principles, we turn *hope* into *reality* and become leaders who get things done and know how to make them stick.

These seven principles inform both personal efforts to be a better leader and organization investments to build better leadership. The impact of LD increases when participants turn *learning* into *action*. When aspiring leaders receive 360-feedback and rigorously apply these seven principles, personal action plans become more sustainable, and executives become more confident that their investments in LD will have payback. *Leaders* matter. *Leadership* matters more. *Leadership sustainability* matters most. **LE**

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ACTION: Apply these seven principles.

PERFORMANCE ◗ ACTION

Traumatic Residue
Remove it from your firm's DNA.

by Chip R. Bell and John R. Patterson

ORGANIZATIONS ARE EXPERIENCING post-recession *traumatic residue*. During the recession, employees were subjected to major layoffs, deep budget cuts, and Scrooge-like frugality. The *residue* side of survival makes sense, but the *traumatic* side kills growth.

We see two types of employees at the top of the *cut list*—screw-ups and slackers. *Screw-ups* are folks who make mistakes (many should not have been hired in the first place). But they might also include brave souls who take risks that yield poor results. *Slackers* are the sleepwalkers who do just enough to get by. They keep one eye on the clock and complain if asked to do any *extra duty*.

Slackers and screw-ups drain your capacity for success. And, as the economy squeezes razor-thin margins, you can't afford to retain deadheads and deadwoods. Now we're seeing a more insidious byproduct of *traumatic residue* that elevates *risk averse* and *looking busy* behavior to a performing art.

Practicing shake and fake. Risk-aversive behavior, emanating from a reluctance to make mistakes, gives rise to a game of *shake and fake*—a folksy label for *plan and execute*—characterized as enthusiastic and passionate verbiage around a bold idea but with *no intention of implementation*. The goal is to *sound bold* without *being bold*. Project teams are organized; meetings are long on plans, but short on *to do's*; consultants do studies and reports; thought leaders ballyhoo the big-deal effort; best practice field trips are taken. In the end, the effort dies as another *big deal* begins, and the *shake and fake* ritual starts all over. No one initiates anything that could result in an accountable outcome.

Perfecting the hardworking image. The *look busy* is the *activity trap*. The objective is to convince everyone that you are *up to your eyeballs* in work.

There is much *alligator-killing* but no *swamp drainage*. Requests are made for reports followed by meetings to discuss the report (meeting-mania). People brag about being *double-booked*, but it's all *make work*. This game comes with *the illusion of being harried* (Texans refer to this as *three feet and a cloud of dust*—lots of bravado, little progress). Game players often fiddle with forms and then complain in diatribes about *never getting caught up*. Little is achieved, but much time and energy is expended.

Get off the log. Three frogs sat on a log at the edge of a swamp. One decided to jump in. How many frogs are now on the log? Still three! *Deciding* and *doing* are not the same thing. People judge your position by the one you take, not by the one you propose. Until you execute, all *decisions* are *intentions*. All *planning* and *preparing* is just *getting ready*. Execution—putting skin in the game— is the test of commitment. "*I believe, I support, I approve*" are just weasel words unless coupled with visible action.

Great leaders know that nothing changes, improves, grows, or progresses until someone executes (or, as Seth Godin says, *ships*). They insist that meetings have an agenda with clear objectives and a precise length—say, one hour—and end with actions assigned to people who commit to execute something by a deadline. And they require tangible evidence that promised results are achieved. They hold expectations-setting conversations to gain *buy-in* on the achievability of performance outcomes. They insist on regular *touch points* and *check-in* conversations to examine the *path* traveled to date (versus *plan*) and settle on course corrections to ensure arrival at the future state. *They consistently and fairly apply consequences for great or poor performance*. When consequences are not delivered, *trust* between employees and leaders is weakened.

Help your people break out of protective game playing and focus on productivity, achievement, and growth. Either *change* the people or change the *people*. Today, customers expect around the clock, turn-on-a-dime responsiveness. *A culture of hesitancy and timidity creates sluggishness*. With the high-speed viral nature of *word of mouse*, leaders can't afford to sit on their hands while their customers vote with their feet. **LE**

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ACTION: Focus on productivity and growth.

4   May 2011

Leadership Excellence

Your Culture

Is it a game changer?

by Roger Connors and Tom Smith

YOU EITHER MANAGE YOUR CULTURE, OR *it will manage you*. Culture works full time, never takes a vacation; never calls in sick—whether you know it or not or like it or not—always sending cues to people on how to think and act.

Does your culture supercharge your efforts to achieve the results you are accountable to achieve? Is your culture helping or hindering? Is it sending the right cues to people on what to pay attention to and how to get work done in a way that will yield *desired results*? Is your culture a game changer?

The *results* you currently get are produced by your current culture—*your culture produces your results*. If you are achieving desired results, you have a strong culture that produces what you want. If you're not achieving the results you want—or if those results may be in jeopardy—your culture needs to change. Your culture is responsible for the results you achieve, and leaders are accountable for that culture.

The **Results Pyramid** shows how the *three essential components* of culture —*experiences*, *beliefs*, and *actions*—work in harmony to achieve desired results. The pyramid not only tells you *why* the culture is the way it is, but also *how* you can accelerate a shift in culture to create competitive advantage and game-changing results that can redefine the industry and reshape a business model. The right culture creates just the right balance of all the interconnected complex pieces that go into making up success; layering all the rules, boundaries, systems, thought-processes, best practices and other quirky aspects of organizational life into one complete fabric that makes great organizations what they are and causes them to produce the results they get.

At the top of the *Results Pyramid* sits the *results* that come from the *actions* people take that stem from the *beliefs* people hold about what they should do. Those beliefs are born from the *experiences* they have. Experiences foster beliefs, beliefs influence actions, and actions produce results. The experiences, beliefs, and actions of the people constitute your culture, and your culture produces your results.

Most leaders work with just the top of the pyramid and focus on actions they need people to take. This tends to create a tell-me-what-to-do, command-control style of accountability that people resist and, ultimately, resent. How often have you been involved in a restructure (an actions-based solution) that did not work? You can change where people *sit*, but that does not necessarily change the way they *think*. Learning to work with the bottom of the pyramid—the beliefs and experiences people have—helps leaders speed up culture change and create lasting change in a way that has a positive impact on morale. You can either tell people *what* to do or help people understand *how* to think about getting results. The latter approach engages people at every level in the process of asking, "What else can I do?" to overcome obstacles and achieve results.

It Starts with Results

You build your culture around *the results you need to achieve*. If a key result is *growth*, then you need people to hold certain beliefs about what is important, how they get work done, and how to resolve conflicting priorities. Those *cultural beliefs* should be well defined. When things aren't working well, *culture* is the first place managers and leaders should look and go to work.

Leaders know their culture works either for them or against them; and when it is not working for them, they want to fix it. Intuitively they believe that they can fix it with the right approach. They are dead-on correct.

Surprisingly 9 out of 10 leadership teams are not aligned around the top three key results they need to achieve. They generally know what they're trying to accomplish, but can't precisely define those results. *Accountability begins by clearly defining results.* You build a *Culture of Accountability* around the results you need to achieve.

A clear definition of *results*, one that everyone can understand and repeat, is essential to aligning your culture. Once in a workshop, we asked the European management team of a large pharmaceutical company, *What's the top result that you need to achieve?* They told us it was *Business Unit Contribution*. We asked the team, "What's the number?" Everyone went silent. No one wanted to say. We asked them to write down the number and pass it to the CFO in the back of the room. There was a $300 million variance between the high and the low number!

Creating a clear understanding of the results you want enables people to align their experiences, beliefs and actions in a way that yields a strong culture that produces desired results.

Case In Point

A large retail client was hit hard by the economic downturn. Their initiatives to improve results (manage the *Actions*) had failed to deliver. Realizing that they had not yet tried working with the culture and the beliefs people held about how to think and act to produce their desired results, the leaders decided to implement a 50-store pilot to test the premise that *culture produces results*. The team determined that less than a 2 percent improvement in same store sales would trigger a *no-go* decision; 2 to 5-point improvement would indicate a need for further validation; and improvement of 5 percent or more would support a "go" decision.

Working with the *Results Pyramid* and focusing on the *beliefs* they needed their associates to hold, store managers saw an eight-point gain in same-store sales and customer count in five weeks! The CEO flew in from Europe to discuss the pilot, resulting in a 1,000-store launch of the culture change effort. After 30 days, the company turned in their best performance in 12 months; after 60 days, it was the best performance in two years: 65 percent of the stores delivered on their plan (only 9 percent did the year before).

The evidence was clear: *Culture produces results. And the right culture produces the right results*—game-changing results that create *competitive advantage*.

Align your culture to produce the results you seek. *Either you will manage your culture, or it will manage you.* **LE**

ACTION: Create a game-changing culture.

Healthy Growth

I want Starbucks to grow with more discipline.

by Howard Schultz

STARBUCKS ONCE GREW fast. Now I want to grow with discipline—in emerging and developed markets. Emerging markets have a big role to play in powering future growth. So does our transition into a company that excels as a *retailer* and a *purveyor*—in supermarkets and other channels—of consumer packaged goods.

When I returned to Starbucks as CEO in 2008, after eight years, I saw that *growth had become a carcinogen*. We needed to transform our culture to create healthier growth. In 1987, Starbucks had 11 stores and 100 employees, and a dream *to create a national brand* around coffee and a unique experience in our stores. That dream become a reality, and had a life of its own. For 15 years, almost everything we did worked.

Growth becomes seductive and addictive. But growth is not a strategy—it's a tactic. I've learned that *growth and success can cover up a lot of mistakes*. So now, we seek disciplined, profitable growth for the right reasons.

In 2008, when I reviewed underperforming stores, I was horrified to learn that *the stores that we had to close had been open less than 18 months*. Decisions were made without discipline. At times, we made decisions that were complicit with the stock price. There's a fine line between trying to manage the company in the best fiduciary way—and providing analysts with 100 percent transparency. You don't want to start making decisions based on a P/E or *stock price*.

Most retailers and restaurants report comp-store sales monthly, which produces fluctuation in stock prices monthly. I felt that we had started making decisions that drove incremental revenue but were *inconsistent with the equity of the brand*. Wanting to remove that albatross, I announced that we would stop reporting monthly comps. I was accused of not being transparent, but I ensured that our people were managing the business for the customer.

I once walked into a Starbucks, and saw a table of teddy bears in the store. The manager said that it added to her comps, but it made no sense to me. So, I set a *seven-point transformation agenda*. We didn't abandon growth; in fact, one point is to *create innovative growth platforms worthy of our coffee*. You can't attract and retain great people when the company isn't growing. It's vital to *give people hope*, to provide aspirations and a vision for the future. My return wasn't about restoring the company to its original form: we had to *instill commitment to grow the company—the right way*.

We've identified a big opportunity: no company has ever built complementary channels of distribution by integrating the retail footprint and the ubiquitous channels of distribution—such as grocery stores and drug stores. Starbucks can seed and introduce new products and new brands inside our stores. We introduced VIA instant coffee—a $24 billion global market that

hasn't seen any growth in 50 years. If we took VIA and put it into grocery stores and it sat on a shelf, it would have died. But we can integrate VIA into the emotional connection we have with our customers in our stores. We did that for six months and succeeded well beyond expectations. We can draft off of our stores into ubiquitous channels of distribution and then integrate that into the capability and discipline we have around social and digital media. This is now happening. One out of every five transactions in our stores happens off the Starbucks card. Soon, not only will you be rewarded for buying something at a Starbucks store, but buying Starbucks-branded products in a grocery store will also give you a reward off your Starbucks card. *We'll integrate the reward system*, in a way that hasn't been done before.

We see great potential in emerging markets. In India, we'll soon open stores. In Brazil, we've got 50 stores—and a very big upside. We'll likely be in Vietnam next year. But clearly *our number-one growth opportunity is China*. In 12 years, we opened 800 stores in greater China, 400 in the mainland. We'll have thousands. *We're highly profitable there.* We started in Shanghai and Beijing, but in the last two years, we've opened in cities with five to ten million people. In Fuzhou, people lined up in a rainstorm, waiting for the Starbucks door to open. There are 140 cities in China with over one million people. We don't have a rollout plan for all of those cities, but we have the discipline and process to execute a big growth plan in China.

Every consumer brand imaginable is rushing to China—it's like the gold rush. We want to be thoughtful and disciplined—not go to too many cities too fast. For us, success in China is first going deep in these markets before we spread to so many cities. It can be seductive; we've got to be disciplined. A Chinese real-estate team is working with our people in Seattle. We've refined our model for deciding where our stores should be located. And with our recent success in China, we can now map those statistics and metrics in a way that gives us a very good understanding, with greater predictability.

All of the learning is now being layered onto every international market in terms of how we operate the stores and enhance the customer experience. We're providing the China team with great resources—our management team and myself go to China to ensure that they have the benefit of all the things that we've learned, as well as the benefit of the mistakes that we've made.

We want to put our feet in the shoes of our customers. Not everything from Starbucks in China should be invented in Starbucks in Seattle. The Chinese customer does not want a *watered-down Starbucks*, but we want to be respectful of the cultural differences and appeal to the Chinese customer. So, the food for the Chinese stores is predominantly designed for the Chinese palate.

We did not do these things in the past. We were fighting a war here between the people in Seattle who want a blueberry muffin and the people in China who say, "We'd rather have a sesame muffin." In the past, we thought, "We'll *change behavior*." Now we think, "We'll *appeal with great respect to local tastes*." So we have a list of core products that appeals to local consumers. We're trying to create a Starbucks store with deep sensitivity to local relevancy. That's hard to do when you're in 55 countries.

The reason it's working is that we're decentralizing and trusting that the people in the local marketplace know better than the people in Seattle.

Our biggest growth constraint is *attracting world-class people who have values that are aligned with our culture.*

My leadership team hasn't celebrated much in the last two years, even though we've had a lot to celebrate: We've more than quadrupled the market value. We had record revenue, record profit. But we look at things that we don't get right and ensure that the culture is preserved as we grow the company. It's a *discipline of being self-critical,* having metrics to study the ROI in stores, in advertising, in new-product introductions—looking at the entry cost of new markets in a different light; looking at the supply chain in a different way. We took $700 million of costs out of operations in the last two years—and we're still looking for more.

I take pride in the fact that *Starbucks chases the unexpected.* Part of my role as CEO is to instill *excitement* and *courage* for developing new products. I push people further than they think they can go, yet not further than they can go.

As I try to reorient our people to think boldly, I also reorient myself to innovate the right way. Big, bold, original ideas can't be fueled by instinct alone. They need to be relevant to our business, scalable, tested, integrated across channels, and embraced by our partners in Seattle and in our stores.

The execution of a new idea has to be as good as the idea itself. Taking a more cautious, calculated approach to innovation goes against my *just-do-it* entrepreneurial nature, which plays off my gut and pushes for speed. But I recognize that the company and I need to shift the way we bring products to market, bringing the same degree of mastery that we apply to roasting coffee. As we explore options for disciplined growth, we ask many questions: *How can we improve the store experience? How might we expand our value proposition—emotional and human connection? How can we strengthen our voice to better tell our story? And how can we extend our coffee authority beyond the stores?*

I do not like or want to fail, but I'm willing to take risks. As we grow, I want our stores to feel small, balancing *efficiency* with *romance.* At the heart of being a merchant is *a desire to tell a story by making sensory, emotional connections.* **LE**

Howard Schultz is CEO of Starbucks (about 17,000 stores) and co-author with Joanne Gordon of Onward: How Starbucks Fought for Its Life without Losing Its Soul *(Rodale).*

ACTION: Seek healthy, sustainable growth.

Accelerate Development
Move leaders through the pipeline.

by Robert Barner

ONE CONSTRAINT TO vitality and growth is an anemic leadership talent pipeline. This problem is evident when organizations struggle to identify exceptional internal candidates for high-potential leader pools and executive succession plans. You can *accelerate leader development* by taking four actions:

Action 1: Identify development gaps. Much *managerial coaching* today is restricted to cursory discussions squeezed into annual performance reviews. Such coaching provides limited development, as managers tend to help leaders make *incremental improvements* to past performance. *True developmental coaching helps leaders identify the key development gaps they need to close* if they hope to assume next-level assignments.

To help leaders deconstruct next-level gaps, I use the *crucible model.* In metallurgy, a crucible is where molten metal is collected and fused together. As coaches, **the job crucible we employ consists of three components:** 1) *competencies* that a person needs to master to succeed as a leader; 2) *performance expectations,* or how *leadership success* is defined in the new job; and 3) *unique adaptive challenges,* such as when a leader is first learning to mange a virtual team, or to manage across cultural or national boundaries. Help leaders to *identify the challenges that fit within these three components,* and then *determine which one or two factors are likely to pose the most difficult challenges* for the leader—and hence require the greatest focus.

Action 2: Use outcome-based planning (OBP). Development plans are quickly discarded if they are not clearly tied to organizational results. OBP first seeks to spell out *one key performance outcome that a leader wants to achieve over the next 12 months.* With this goal, leaders then determine the knowledge, competencies, and expertise they need to gain to achieve the goal. OBP accelerates learning by encouraging leaders to construct lean development plans that include only what is essential. Also, OBP helps sub-

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stantiate organizational returns for investing in LD and coaching.

Action 3: Identify developmental test points. For most leaders, 90 percent of development occurs on the job. Job assignments represent rich opportunities for development, and yet leaders are rarely advised how they can leverage job assignments into developmental opportunities. One tip is to ask a leader to map all project steps involved in the assignment. Next, ask the leader to flag the single project step that will provide the most valid test point for assessing his progress in bridging one of his top two development gaps.

Consider a leader who is asked to take part in a cross-functional process improvement team, and whose *big need* is to develop *stronger executive presence.* The leader might volunteer to take the lead in directing her team when they present the case for change. Identifying such test points helps leaders to accelerate their development—and helps managers to see where, within a project or assignment, their people will likely benefit from developmental coaching.

Action 4: Encourage managers to think aloud. As leaders progress, their success has less to do with acquiring behavioral skills that can be easily demonstrated and copied. Instead, it requires *complex thinking skills* that include the ability to *work with unstructured problems,* to *deal with ambiguity,* and to *make decisions that require high discernment and judgment.* It's not enough to have a leader shadow a manager, or to observe the result of that manager's efforts. To gain *cognitive mentoring,* a leader needs to interact with the manager as she is thinking aloud on an issue or challenge. Suppose, for example, that an executive invites a manager to observe her in a meeting, in which she'll try to convince her team to commit resources for a new project. Before the meeting, the executive asks the manager: *Who carries the greatest weight on this decision? Who is likely to raise objections? Why? Who are our supporters? What concerns should we prepare to address?* The executive might talk aloud about how she intends to proceed. The manager gains insight into her thought processes and decisions.

Take these three actions to *accelerate the development* of leaders. **LE**

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ACTION: Accelerate the development of leaders.

Talent Development

Observe five Do's and Don'ts.

by Louis Carter and Brian Fishel

Finding effective managers and leaders to fill challenging roles is always a priority because it enables you to overcome uncertainty and to capitalize on hidden opportunities.

According to our *Talent Management Survey*, 82 percent of companies utilize a formal or informal *talent management program*, indicating that human capital considerations are among the foremost goals of strategic planning. Less common is consensus on what strategies and methods yield the best results.

Top Five Do's of TD

From our experience, we distilled *five ways* to effectively recruit and develop high-potential talent.

1. Develop a common language for talking about talent. It can be difficult to promote a *unified talent development strategy* in organizations with specialized divisions like Accounting, Sales, IT and Finance. A *shared set of standards* for identifying individuals with leadership potential is crucial. This starts with having *one performance rating scale*. Talent managers must identify and assess people against the requirements that help people succeed or derail. Such a standard, based on metrics for leadership best practices identified for each level of management, enables you to determine the high-potentials, provide rising stars with internal promotion options, and retain top talent.

2. Put people in positions that play to their strengths. Effective development of leadership talent depends on their careful placement into positions that suit their functional expertise and leadership strengths. Not every high-potential is suited to every task. Place individuals in situations that promote gradual and sustainable improvement, allowing them to develop and expand their areas of specialization without being spread too thin across the spectrum of management competencies.

Managers working within their element are likely to achieve greater productivity. This is not to say, however, that high-potentials should stay within comfort zones. Place them in *stretch situations* at the edge of their abilities, to challenge them to refine their skill-sets and to acquire new skills without overwhelming them with duties that exceed their capabilities. This enables them to utilize their professional strengths, while developing new capabilities "on the margins". Stretch assignments should be supported with internal or external coaches, mentors, and a skilled team dedicated to follow-up on support and development of high potential leaders.

3. Let people own their processes. Leadership requires self-directed individuals who can act decisively within their role, and who own the function for which they are responsible. While

central talent development may include placement and promotion of managers, give managers of functional areas both authority and accountability for those areas. For high-potentials, process ownership encourages closer engagement with company goals, and more effective and collaborative connections. Don't hold the reigns too tight, but also don't allow a "free for all" either.

4. Connect people to the message. The ability to form strong and sustainable relationships is a vital skill for leaders. *Connecting people to the message* means inspiring co-workers, conveying shared goals on an emotional level, developing *sustainable relationships* built on mutual trust, that hold together, even when sacrifices are required. Developing leaders requires setting standards of communication, engagement, and focus to enable them to act as connectors.

5. Balance new perspectives with experienced veterans according to busi-

ness needs. Should you promote from within, or hire from outside? Do fresh ideas trump organizational knowledge? Is it better to advance people of known character and performance than introduce unknown factors? If your industry is in a state of flux, you may benefit from bringing in fresh perspectives and novel influences. If the business is making consistent headway against known challenges, a balance in favor of internal promotions will give you new leaders who already seek the same goals. Filling leadership roles with current employees with the right skill sets can shorten ramp-up time and reinforce the incentive of potential advancement for other rising stars. On the other hand, recruiting competencies outside the current skill inventory enables you to introduce new people and approaches. Focusing on business needs can help you to arrive at the optimum balance.

Top Five Don'ts:

Here are five tendencies to avoid:

1. Don't ignore enterprise goals. The culture plays a key role in encouraging collaboration, cooperation, and engagement. A common culture can help to unify the goals across functional divisions, regions, and continents. Don't indulge in "lone wolf" behaviors that work toward short-term wins and personal agendas. Keep focused on organizational goals and strategies. High-potentials and new-hires tend to be highly motivated to prove themselves, and to generate quick results. Talent managers must emphasize *respect for the culture*, partnering with others, and collaborating for better results. Managers involved with leadership development should not lose focus on *enterprise goals*.

2. Don't lose focus on business needs. Don't over-focus on *theoretical approaches* at the expense of practical business needs. With so many well-developed strategies of leadership development to choose from, it is tempting to ignore facts that might call your methods into question. To avoid this trap, engage with individuals at all levels, and compare *performance metrics* with the *intended outcomes* of your decisions. Are leaders who are promoted from within meeting production and efficiency goals? Are you hitting your target numbers for retention of promising talent? Asking such questions will help you to focus on *measurable benefits to the company*.

3. Don't be afraid to develop or hire people who challenge you. As a leader, you take pride in your expertise and in the respect of your co-workers. Being challenged can be a threatening and

uncomfortable experience. This can cause you to surround yourself with people who agree with you no matter what, creating a culture that is safe, reinforcing, and stagnant. Developing the maturity to encourage respectful dissent and contrary opinions is essential for leaders. It will prevent a culture of fear in which employees allow business goals to suffer out of concern for their own reputations and positions. Fostering open dialogue sets an example for rising stars, contributing to a culture of constructive collaboration that will drive greater performance.

4. Don't over-orchestrate. You need to set targets for recruitment and development of effective leaders, and create strategies for achieving these goals, and you need to get involved at the operational level to understand the day-to-day details, issues, and concerns that managers need to address. At times, you need to roll up your sleeves and get involved with the actual work. Direct engagement with both recruited and promoted leaders will yield more effective results, and set an example that will lead to better communication. Creating a *culture of cooperation* and a sense that "We're all in this together" can break down barriers between line personnel and managers, resulting in a *more effective and coherent* organization.

5. Don't undervalue experience and history. When conditions are uncertain or sub-optimal, when there is little agreement as to what is likely to happen, companies are more likely to hire leaders from outside to bring in novel approaches and fresh ideas, but it may cause talent managers to underrate the value of the experience, context, and knowledge that current employees can bring into a new position while preserving continuity and serving as a vote of confidence in the current team, boosting morale and settling fears. While a balance must be maintained between *bringing in new people with fresh ideas* and *promoting proven talent within*, don't let fear of tough times blind you to the benefits of investing in employees who are dedicated to meeting goals.

Today, you need effective and capable leaders to remain resilient, adaptable, and productive. *From great trials come great opportunities*, and a proactive talent strategy will help you to meet current challenges and *prepare for future ones*. **LE**

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ACTION: *Observe these five Dos and five Don'ts.*

Dealing with Change
Engage your people or die trying.

by Richard Axelrod

FOR DECADES, I HAVE championed the use of *employee engagement* to effect change. Today achieving change requires *maximizing employee engagement*.

In times past we've seen or heard about a government official, war hero, John Wayne, Moses, or bold CEO who leads a turnaround. The story is always the same. The heroic figure, because of insight, charisma, and leadership skills, persuades a reluctant group of people to do something they might otherwise not want to do. However, to survive and thrive today, *all energies must be applied to getting the maximum quality and productivity out of the people*. All employees can make enormous contributions; and without the support and commitment of all employees, major change is impossible.

My change management paradigm calls for using *four key activities* in designing work *with built-in engagement*:

1. Widen the circle of involvement. Include *all internal and external stakeholders*. Mere *buy-in* is not acceptable. You must *deeply engage people in the change process* from the beginning, creating a critical mass of energetic participants who design and support the necessary changes. When you widen the circle of involvement, you go beyond the dozens who are typically involved in current change practices and instead involve hundreds, even thousands, of employees.

2. Connect people to each other. Use various dialogue methods. When people connect with each other and to powerful ideas, they generate creativity and action. Barriers to the flow of information and new ideas crumble as *people forge links*. Work also flows smoothly because people learn how what they do fits into the larger whole and how they can access needed resources.

3. Create communities for action. Create new forums for people to have a voice in change that impacts them. When we create community, we move beyond a group of people who may have personal connections with each other. We create a group of connected people who have both the will and the willingness to work together to accomplish a goal that has meaning for them.

4. Promote fairness. Fairness provides an ethical foundation for change. It produces trust and confidence in both the change process and those leading it. Fairness speaks to the human spirit, the desire to have a say, and the desire to shape one's destiny.

These principles and three key leadership practices—*honesty*, *transparency*, and *trust*—form a new basis for a system that governs how work is done.

Using this system often means making a change to how things are done, committing to a process that puts an end to the few deciding for the many.

The old change management works against creative problem solving. There are *two human responses*: we move away from threats, and toward rewards. When the *threat response* in the brain kicks in, creativity and innovation decrease. When the *reward response* kicks in, creativity and innovation increase. *Engagement* sets the path for the future. So, involve more people and give them a voice in what's going on.

You can increase engagement in several ways: hold in-person meetings; hold group conferences with workshop sessions; and deploy Internet and social media systems that engage people in real time. Include people *from all levels and functions* and others (customers and suppliers) who are vital to the business.

Pay attention to what people are saying and be responsive to the ideas that come out of the dialogue and the feedback the company is receiving.

In an engaged organization: People grasp *the big picture*, seeing *dangers* and *opportunities*. There's *urgency* and *energy* as people align around a common purpose and create new direction. *Accountability spreads* as people come to see the whole system. *Collaboration across boundaries increases* as people connect to the issues and to each other. *Participation quickly identifies performance gaps* and their solutions, improving productivity and customer satisfaction. *Creativity is sparked* when people contribute their best ideas. *Capacity for future changes increases* as people develop the skills to meet *current* and *future* challenges.

In dealing with change, you have to engage your people or die trying. **LE**

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ACTION: *Experience the benefits of engagement.*

Pattern Recognition

Self-awareness as a development strategy.

by Ward Ashman and Teresa Roche

WE OFTEN HEAR LEADERS DISCLOSE how they quickly and accurately identify trends via *pattern recognition.* They have a highly attuned instinct for anticipating trends and adjusting to them proactively. By observing the patterns of a situation, they require less analysis of facts—and less reaction time—thus *accelerating* decision making.

Another powerful area of pattern recognition is to observe your *personality* patterns to better anticipate how to respond to life situations. This enables you to adjust your default personality style and apply an improved response, especially in relationships. For example, if you recognize that you tend to react with irritation when you hear surprising or threatening news, you can choose a simple alternative—ask for more information by using a phrase like "tell me more," or "how so?" This probing gives you time to observe and manage your personality pattern, observe the internal state that drives it, and apply a better response. You often learn that your initial interpretation was inaccurate, and that added information helps you make a better decision.

Recognizing personality patterns to anticipate your responses drives an improved approach to all situations. How we live our life is what inspires others to follow us. Hence, we need to keep improving in observable ways in order to keep inspiring those who follow us to keep developing themselves. Ironically, as we move beyond the realm of technical competency to higher leadership, our ability to inspire becomes even more important in order to develop deep trust and resilience-based relationships. These relationships help us manage the challenges inherent to top leadership, via the platform of strong and creative teams.

Self-awareness via pattern recognition helps us inspire others by being at our best, not overreacting, and using our communication skills to respond effectively. As we show greater maturity in our relationships, we inspire others. And when we understand personality patterns, we can coach others.

To develop your personality pattern recognition skills, use this action plan:

1. Use the power of insight to analyze all your personality patterns and solutions to them. Insight provides both information and inspiration. To gain insight, start by asking others you trust to give you feedback.

2. Be objective. Your patterns are lifelong *mechanical* habits. The patterns don't change, but you can change how you respond to them, *particularly when there is an expensive downside cost.* This pattern analysis may be uncomfortable since you have to *identify and acknowledge your patterns,* but it will help you be more effective at everything you do.

3. Create a cost/benefit analysis. Determine your *key personality pattern.* Here are some common patterns based on the three primary orientations that people use to process information.

• *Logic oriented:* highly analytic; get rattled when things don't make sense; judge others for being irrational; high commitment to get the right answer.

• *Emotion oriented:* focus on the feeling aspects of relationships and situations; feel at best when in positive situations; strong need to assess how others feel; can get caught up in over-working to avoid one's own emotion state.

• *Intuition oriented.* Have a sense of knowing; can be impulsive, trusting the intuition, but can err by not trusting intuition and find out later it was right; and still require logic and emotion to confirm accuracy of perception.

Now think about the cost and benefit of your personality pattern to define the value proposition of your observable patterns. You may be surprised.

4. Determine your tool. Learn from your cost-benefit analysis and design your tool for handling your patterns.

• If you are *high assertive,* you can run over people impulsively and miss hearing important information. The benefit is that you get to the point quickly. The tool is to think about your impact before acting to get better information and waste less time.

• If you are *high analytical,* you can take too long to get to the facts. The benefit is an accurate assessment of key detail. The tool is to determine how much information is actually needed to accelerated decision making.

• If you are *high emotion,* you can be distracted with people issues that derail practical results. The benefit is that you can build a stronger foundation of community and resilience. The tool is to balance connecting with others and getting results.

You may know your effective tools, but you need to *remember* to use them.

5. See your blind spots. We all have them, and they are the key opportunity for improvement. Ironically, the people who know you best have been giving you feedback about these blind spots all along. However, we often don't listen to them. This is especially the case with those closest to us! Be diligent to learn about your blind spots and learn to see those patterns accurately. Reducing blind spot patterns is the fast way to self-improvement.

6. Observe traction. After applying your personality pattern recognition and tools, observe the positive results of your actions and use these as positive reinforcement. Observing traction reinforces your higher performance. When possible, let others know what development area you are working on and solicit feedback on how you are doing. As you become more conscious of your improvement, you'll see more opportunities. You can self-correct in the moment. Document the results of your improvements and use them to drive a higher focus on further results.

7. Apply action. Keep upgrading your tool kit and action plan. Drive your plan forward to keep improving and focus on constant improvement.

Self-awareness is the key to pattern recognition. Since how we live our life is what inspires others to follow and trust us, we have to keep improving in observable ways in order to inspire those who follow us to keep growing. **LE**

ACTION: Use pattern recognition to develop.

Be Courageous

But observe five cautions.

by Bill Treasurer

THESE ARE FEARFUL times. Reading about economic instability, terrorism, and other threats is enough to make you want to lock your doors and stay safely home. But with fear comes *opportunity to demonstrate courage*. Just observe five realities.

1. Shift from stupid courage to smart courage. When I was a kid, a ferocious dog named King lived down the street. At six years old, I was deathly afraid of King, a jet-black Doberman Pincher. Every time I walked past the house, King would bark viciously. I knew that I would have to confront King to overcome my fear. In my first act of courage, I donned a Superman cape and headed down the street. When I arrived at my neighbor's house, King was sleeping in his doghouse. This was my superhero moment! I tiptoed up to his Spartan sanctuary, peered inside, and was chewed up!

Courage without brains is like *ethics without a soul*. There's *smart courage* and there's *stupid courage*. Just because you are courageous doesn't mean you're applying your courage toward *the right aims* or in *the right way*. My moment of stupid courage with King had a lingering impact: for years afterwards even a yelping Chihuahua frightened me.

If you aspire to be an effective leader or stellar performer, you'll need *courage*, but you'll also need *intelligence*, *discipline*, *focus* and *persistence*.

2. Shift from incidental to intentional courage. I know that you've done courageous things in your life already. You were courageous the day your parents dropped you off at summer camp. You were courageous as a budding thespian in your high school play. You were courageous in college when you contested the lousy grade your English professor gave you. It took courage for you to say "I do." And it took courage when, after spending years caring for her, you made the gut-wrenching decision to put your ailing mother in a nursing home. You are courageous, but perhaps through happenstance. Yours has been an *incidental courage*. Your courage manifested itself as a byproduct for engaging with fear. Most often you've fallen into your courage as a reluctant participant.

I invite you to shift your courage from *incidental* to *intentional*. Being intentionally courageous requires making a deep commitment to acting *consistently courageous*. Instead of waiting to respond to situations with courage, you seek opportunities to be courageous. You ask yourself, *In what areas of my life do I need to be more courageous? What is the next courageous thing I need to do?* and *Who needs my courage most?*

When you shift from incidental to intentional courage, you search for challenging opportunities in which to apply your courage. *Intentional courage* is deliberate, willful, and even transgressive. By seeking stormy situations that warrant the application of your courage, you are intentionally pursuing situations that others avoid.

3. Expect naysayers—and seek the support of a few powerful yea-sayers. Just because you're courageous doesn't mean that you'll win people's favor. You may in fact provoke anger and outrage. Though courage may bring out the best in you, it may also bring out the worst in others.

Even when courage doesn't instigate outright violence, it provokes opposition. Naysayers tend to surround people who act with courage like zombies in a graveyard. I coached, for example, the medical director of a hospital who oversaw a large staff, but hated his job of 20 years. His secret desire was to become a high school teacher. What stood in his way—his naysaying wife. She'd harp on him, moaning, "You want to give up your six-figure salary to become a poorly paid teacher? Over my dead body!"

Naysayers often position their opposition as being in your best interest. "If you do that, you'll get hurt. I'm just trying to protect you!" they say. The reality is, however, most often they are trying to protect themselves. Their real worry is that *your* courage will cause *them* harm. When you act with courage, naysayers will try to block your way. The more substantial your courageous act, the more visceral the naysaying response will be. Recognize that for every 10 naysayers, there will be at least one powerful *yea-sayer* cheering you on—and their cheering will likely have a counter-balancing, possibly neutralizing, effect on those naysayers. Thus, when you're facing a challenging situation, it helps to have the support system of a few powerful yea-sayers.

4. Move from the Closet Zone to the Courage Zone. I once asked an executive about the most courageous thing he had ever done. He replied, "When I came out of the closet." It was no secret that Frank was gay. It also wasn't an issue. He was an effective leader of 200 people. They had become so comfortable with Frank that he often brought his longtime partner to company-sponsored social events. People were comfortable with Frank because Frank was comfortable with himself. So I was surprised to hear him identify his *outing* as his most courageous thing. "It was a different world 20 years ago," he said. "Plus, this company is full of macho engineers. I wasn't about to wave my rainbow flag in front of them. So, for years I betrayed myself. Eventually I realized that *no job is important enough for me to have to come to work as a fraud*."

Had Frank not exercised courage, he would have moved from *self-betrayal* to *self-contempt*. To live a fulfilling life, you must be able to *live within your own skin*. The temporary anguish that Frank experienced was eclipsed by *an enduring sense of satisfaction* that comes from knowing that he stood up for himself.

One courageous moment can change the trajectory of your life. When you decide to enlist in the army, or start your own business, or go to HR and accuse your boss of sexual harassment, or quit your six-figure job to become a teacher, you'll be a different person in the long run. So, consider the consequences before you put your courage to work—and the consequences that you'll likely reap if you don't act with courage. The regrets that weigh heaviest on you over time are usually things you don't do.

5. Courage is the chief virtue associated with excellence and leadership. Virtues form the basis for living an ethical life. They involve the quality of doing what is right and avoiding what

is wrong. They represent the best of the human qualities, and include *honor, harmony, gratitude, beauty, compassion, faith,* and yes, *courage.* In the pursuit of our virtues, we become better and more powerful people.

Courage is chief among the virtues. Aristotle called courage *the first virtue* because *it makes all the other virtues possible.* Winston Churchill said courage is *the first of the human qualities* because "it guarantees all others." Clare Luce Booth called courage "the ladder on which all other virtues mount." The Catholic Church identifies *courage* as *one of the Four Cardinal Virtues,* because it sustains the other three (*prudence, temperance* and *justice*) in times of challenge.

And yet little attention is paid to applying courage at work. When was the last time you went to a workshop dealing strictly with courage? Never. Yet courage is the operating system upon which other business concepts run. Courage brings vitality to other core business concepts like ethics, leadership, innovation, motivation, and relationship-building.

Courage presents a proposition that is too dangerous for some companies to embrace. If employees are more courageous, they'll do more than sit in their cubical taking orders like well-trained circus animals. Courageous employees will press to take on more challenging roles; voice their opinions and objections more freely; hold themselves and their companies to higher standards, elevating the expectations of their leaders in the process; challenge, and aspire, and risk, and think, and lead. While that may look inviting, below the surface, where more competitive and subterranean impulses dwell, it's a dangerous proposition. Courage raises the stakes. If employees start to act with more courage, will their leaders have to be more courageous too?

Courage, the virtue most associated with the pursuit of excellence, is perfectly suited for leadership. Courage is not a zero-sum game requiring the diminishment of leaders' power as the exchange for more courageous employees. To the contrary, *the more courageous all employees become, the more passionate, driven and productive the company becomes.* Courage raises the stakes, and our standards. Given all the benefits that acting with courage can have on people and organizations, be courageous! **LE**

ACTION: Show courage in your leadership.

Cultural Competence

How conscious is your global team?

by Peter H. Bailey

THE MOST EFFECTIVE leaders fall into two camps: *Unconscious Competents* and *Conscious Competents.*

• ***Unconscious Competents*** learn to adapt to ambiguous circumstances, read the invisible communication, and ask for or deliver information in a way that is non-threatening. Their style seems to elicit critical information that others could not uncover. They appear to be uniquely suited for global management. Their drawback? They often don't know what they are doing that is working, or how to pass it on to others. Their *Unconscious Competence,* if not managed well, can prove to be a curse, negatively impacting colleagues, customers, and other constituents.

• ***Conscious Competents*** are also good at maneuvering through the fog of cultural nuances, and as astute in cultural conflict, and they have a saving grace. Through their experience and education, they *know* what they are doing. They're keenly aware of how to modify their behaviors so that other people are more comfortable. And, they can pass on to others clues to their success to enhance *their* performance across cultures.

Which Do You Have?

If you have *Unconscious Competents,* you need to *increase their self-awareness* so that they can know what they are doing that has made them so successful. *Instinct* is a gift but *intuition* can be developed. Your *Unconscious Competent* managers need to turn their instinctive gifts into teachable approaches, attitudes, and behaviors so that other co-workers can adopt similar styles.

If you have *Conscious Competent* managers, you need to *replicate them.* Ask them to codify what they do and how they think, and even how they *begin to think* before they plan any cross-cultural interactions. To be *Consciously Competent* means to apply cross-cultural tools at all times, *knowing how and when to use what, with whom,* and how to repair situations when things go wrong.

Top Ten Global Don'ts. *Ten things to stop doing:* 1. Assume *your way* is *the right way.* 2. Don't modify anything about your behavior, words, or actions. 3. Ignore subtle cues. 4. Convince people of your perspective rather than listening to possible alternatives. 5. Tell jokes and tease people. 6. Expect *everything* to happen the way it does in the home office. 7. If it didn't work at first, do the same thing again, harder and louder. 8. Single people out to find fault, place blame, or make an example. 9. Be ostentatious in all you do. 10. Assume you are *global* because you travel or were born in another country.

Top Ten Global Do's! *Ten things to start doing:* 1. Always pause and ask, *How might my behavior, words or actions be perceived?* 2. Check *Cross-Cultural Dimensions Charts* for gaps and alignment. 3. Preparation is better than reparation. 4. Check emails with others before sending or responding. 5. Hold people in *unconditional positive regard.* 6. Assume that other peoples' actions are done with positive intent. 7. Ask: What information helps me see *the real message* being communicated to me? 8. Ask: How might I get more information to gain a clear picture of what is going on? 9. Ask: How might I communicate my message differently to get the results I intended?

10. Practice the GLOBAL steps: *G*reet with a generous spirit: How can I show my positive intent and best connect with this person? *L*isten to understand all points of view: What *parts* of what they're saying align (or conflict) with my values? How can I see their values from their viewpoint? How can I inform them of my values from my viewpoint? *O*pen yourself to possibility: How can we gain mutual understanding? How can I be more open to possibility? *B*uild a solution from multiple perspectives and values: What steps can we take together to bring us closer to our mutual benefit? Have we considered multiple perspectives? What is the highest good we can achieve together? *A*cceptance is key: Have I accepted the process and results as being exactly as they are supposed to be? What aspects are difficult for me to accept and why? *L*everage actions for mutual benefit: What can we do so we both win? How can I ensure that my counterpart benefits by the results? **LE**

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ACTION: Become a better GLOBAL leader.

Make a Case for Change

Build engagement and support.
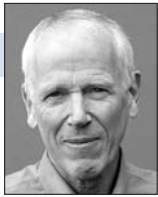
by Richard Bevan

AT THE HEART OF many change processes is a conflict. The reason for major change—a merger, reorganization, or launch of a CRM system—is often complex, understood by only a few executives. Yet a solid grasp of the reasons for change, and the process for implementation, is a key in building buy-in and support.

Change initiatives often stumble and fail because the purpose and process are not understood and accepted by the stakeholders—those people most affected by the change, and able to influence the outcome.

When we distill complexity into a clear, concise statement, leaders often assert that a brief summary is unrealistic. "It's far too complex," they protest. "You can't reduce this to a few sound bites." But if it's not reduced to a few key points, audiences will draw their own conclusions. Unable or unwilling to listen to or study a long and complex story, they will instead rely on hearsay and their own assumptions.

In planning and executing a change effort, leaders need to be clear and concise about purpose, direction, and approach. An effective *summary document* helps explain *what's changing* and *why*, *how it will happen*, and *who will be involved*, as it describes the context, purpose, and plans; and links the change to broader business needs.

When creating your *summary document*, aim to be persuasive and informative—present the facts but also highlight benefits. Identify objections and respond to them. Here are a few examples of *persuasive responses* in discussing factors that drive change.

• *Technological developments*: Describe why change is needed, and how the organization will benefit.

• *Growth opportunities*: Identify ways that employees can advance.

• *Burning platform*—an issue that compels action: Describe the circumstances that make change imperative. Be candid about *consequences of failure*.

• *Competitive activity*—a challenge to match, or chance to win: Cite facts about strengths or weaknesses in the competition; emphasize why the organization needs to change to get ahead.

• *Customer input*—what customers want and need: Customers state *unmet needs* that a competitor might exploit.

Deploying a business case supports the change process in four ways:

• It drives consistent messaging.

• It exercises a *forcing function*—early in the planning—through which people verify that the case for change is clear, complete, and appropriate.

• It ensures that the purpose and process for the change are clearly defined and builds trust in the process.

• It helps leaders communicate effectively and tell a compelling story.

Communication gives meaning to purpose or vision. Delivering a clear message about *purpose* and *direction*—supported by discussion, clarification and engagement-building—is the key

task of the leader of a major change.

The business case needs to address several questions and concerns. Those involved in change need to see why it's happening, how it will affect them, and how they can contribute:

• *What's this all about?* Present the story behind the change and the facts about plans and process for execution.

• *How will this affect me?* Outline the impact on major groups and teams, and ensure that managers are equipped to respond to individual questions.

• *Why are we doing this?* Outline the rationale for the change.

• *What will be different?* Describe the *intended outcome*; paint a vision of the future that makes sense to all involved.

• *What's the value?* Outline the benefits and opportunities for employees, customers, and other stakeholders.

• *How will it affect our bottom line?* Discuss *the expected impact* on the business.

• *Where can I get answers?* Ensure that people can find answers in materials they receive, on an internal web page, through managers or other sources.

Customize and interpret messages as appropriate for different audiences. Address the interests, needs, and concerns of each group.

Deploying the Case

When you have a clear story about the change initiative, you need to ensure that it's effectively *distributed*, *supported*, and kept under *active review*.

Distribution. Distribute the material to change sponsors, seek feedback, and integrate their comments and ideas. Ask them to use the case as a primary source when preparing presentations and materials relating to the change.

Create a snapshot version—an elevator pitch or three-point summary—and distribute it to managers and others involved. Encourage them to adapt the pitch to local issues and use it with their teams. Post it on an internal Web page. Post an *online resource page* that includes the latest version and an evolving FAQ. Include a field for questions, and a section where people can share ideas and experiences.

Distribute to those who interact with external stakeholders—to those who manage communication with customers, external media, and shareholders—and encourage them to share with you the materials they develop.

Support. Create collateral to support and extend the summary: FAQ guides with answers—perhaps in versions for employees, managers, and functional areas. Prepare a PowerPoint deck for use in briefing and planning meetings. Adapt and update the material as the change develops and as issues and priorities change. Ensure everyone is referencing the most recent and relevant version. Mention the *resource* in internal communications. Ask leaders to reference the document in their meetings and to encourage its use by others.

Encourage feedback to strengthen the case. Welcome input to help strengthen it. Seek feedback (perhaps using an online survey) after the material has been in use for a few weeks.

Review and maintenance. Stay connected to your team. Review changes and additions to the *summary document*. Hold follow-up meetings (live or via conference call) to evaluate developments, track progress, plan responses, and amend and update as *indicated*. A robust *business case summary* will help you *manage change* successfully. **LE**

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ACTION: Create and use a summary document.

Connect with People

Be the leader you really are.

by Mark Hannum

WE OFTEN HEAR OF leaders who *don't connect*. They're financially astute and think through abstract problems with clarity and insight. Their plans are detailed and precise. But something about the execution never works: the plans never come together, and *the thinking* and *the financials* never add up. Their *leadership presence* adds to the puzzle: they look the part and seem to have the answer. The people *reporting to* the leader say *they don't get it*.

When we hear *they don't get it* from colleagues, we look at the leader's capacity and capability to connect with people. The ability to connect is not a left-brained, analytical activity. It requires a mastery of emotions: reading the emotions of others and fully embracing one's own emotions in a way that others can see them.

Leaders don't connect with people for many reasons. Many leaders are susceptible to *the hero myths*. The leader is the *smart one* and *objective one*. The pressure to be right and have all the answers is intense. Some leaders don't dare to delegate anything because they are expected to know every detail. Other leaders just like being *the expert*.

There are also leaders who grow up in organizations alone. They come in without a peer group, work in a lonely outpost for years, miss out on networking, and don't find a mentor or friends. They enjoy their office and a spreadsheet. Their ability to analyze problems grows exponentially, and they are rewarded for their problem-solving and analysis skills. They may be seen as *personable* and *reasonable*, but stick to themselves and seldom deliver feedback—or deliver it poorly. They are prized for their experience. They have the required one-on-one meetings, do the obligatory team meetings, and get their own team together for meetings. But small problems don't get solved, the deadlines slip, the problems multiply, and the financials don't meet expectations. These individuals tend to be reserved, independent, and tough-minded.

Other leaders often work hard and drive relentlessly to achieve the right results. But their strong sense of drive comes from a feeling of unworthiness. They feel *failure is imminent*. Their self-talk revolves around declarations like, "I'm not *smart enough*" or "*fast enough*" or "*good enough*." These leaders feel like they'll be discovered as a fraud any minute. They are often the center of many people's world. They overcompensate for a sense of unworthiness by knowing many people. But this is also misdirected. Driven, they work hard to turn uncertainty, variability, and ambiguity into controlled perfection. Eventually, it doesn't turn out well!

Some leaders are so *goal-oriented* and *obsessed*, they don't see other people.

None of these leaders connect with people. Such leaders have a strong need

to know the right answer every time. They are dominant, assertive, independent *experts*. They like having the right answer, whether it is effective or not.

What Is Connection?

We are all wired to connect. When we interact with each other, our brains actually change. We're meant to understand each other and be there for each other. Social work researcher Brene Brown defines *connection* as the *energy between people when they feel mutually seen, heard, and valued*. When I say that *someone connects well* to others, I'm saying that they are warm, inviting, open, empathetic, insightful, expressive, engaged, supportive, and values-oriented. Often people equate the ability to connect with good leadership.

Leaders who do not connect well tend to forget about people and relationships and focus on tasks or knowledge. They are not very engaging or fun to be around. Words like *reserved*, *aloof*, *intimidating* and *intense* get used to describe them. It's somehow an argument about the *what* and the *how*. The fact is, *we don't have to focus on one or the other!* We can focus on the task at hand in an engaging, warm, open, insightful and expressive manner. We don't have to pretend to be something we are not at work and a different person at home.

If we can all connect to some extent, why are some leaders unable to connect? Here are 10 reasons: 1) We care too much about what others think of us; 2) we fear making mistakes; 3) we feel we need to do something huge to improve or change ourselves before we will be ready for others; 4) we do not feel good enough about ourselves, our skills, or our experience; 5) we are hiding something about our background we feel does not measure up; 6) we are told by people who either care about us or who we look up to that we are getting too full of ourselves; 7) we are told we do not belong; 8) we are unable to give ourselves a break; we are too hard on ourselves; 9) we lose ourselves taking care of everyone else; 10) we try to package ourselves as something we are not to fit in, get a promotion, belong to some organization; we lack courage.

Such behaviors and thoughts keep us from connecting to others. Most of us associate *courage* with *bravery* and *heroism*. But it really means *to show your heart or tell all your heart*. Courage therefore means *to show yourself*. Putting your life on the line is brave and heroic. Being vulnerable enough to show your heart to another person is courageous.

Leadership Courage

You can *connect* with others by choosing to act with *leadership courage*—showing others that you are human, capable of error, not always right, not always brave. Connection is a given if we are human. We simply must choose to act that way—to be vulnerable, to choose worthiness, to do things that we haven't done before without being afraid to make a mistake, to belong to the people part of the organization, to be ourselves in the workplace. We need to stop pretending to be something that other people believe to be the "*only right way to behave*." The payoff is big! We hear more of the right data. We see more possibilities! We enjoy the work we do with others more. And, our real talents shine through. Do not act like the leader you think you should be, just be the leader you are by being you. Somebody might even say that you are one leader who "gets it." **LE**

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ACTION: Connect well with people you lead.

Collaboration

Create a team culture.
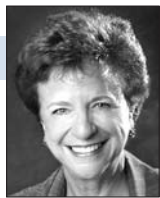
by Patricia Heyman

LEADERS CAN'T ACHIEVE goals or desired results without *effective collaboration*. Leaders are expected to express innovations and ideas, but often they're involved in micromanaging business units. They aren't focusing on improving the leadership team or on encouraging people in team meetings to contribute creative ideas and share honest opinions in order to create an internal sense of team unity.

Hence, team members tend to compete with each other and engage in fear-based, behind-the-scenes complaining that stymies growth. Often, ears that should *hear ideas* and *expand them into doable innovation* never hear them. Many solutions are lost—and strategic plans are poorly implemented.

Collaboration is crucial for success. When motivation and productivity are down, people wander in distraction rather than contribute to the solutions. Lack of teamwork contributes to loss of money, loss of direction, slow or no growth, and smaller market share.

Often, leaders assume that having an innovative idea, benchmarking successful companies, and hiring or firing leaders will create the desired change. Strategy is often focused in one area, without considering that *the core issues* are in the interaction, focus, accountability and collaborative solutions for the leadership team, and other teams.

You may be frustrated with the lack of progress of units or teams, especially if you're familiar with *three scenarios*:

Scenario 1: The leadership team meets irregularly, and when they do the communication goes from the CEO to the team members with little pushback or discussion. Often some people do not agree or have an idea, but don't express it. Also, there may be a challenge in one business that peers might assist with—but it is not expressed for fear of looking bad. After the meeting, people gather to whisper real feelings. Collaboration is not happening, and the implementation of initiatives proceeds irregularly and runs into difficulty with everyone knowing a part of the problem, but no overview with solutions created to move forward.

Scenario 2: A new product or service is introduced. New employees enter the system, and current employees are fearful and confused about the new focus. Clear communication is neglected, as the focus is on the new product, service, or structure. It is clear that the focus is expanding, and new skills and relationship connections will be necessary—so there is a need for specific communication, new accountability processes, new solutions, and time for planning, communicating, inclusion, and surfacing *challenges that might sabotage efforts*.

Scenario 3: The technical design and implementation teams are neither getting work out in a timely manner nor communicating differences of opinion about practicality of designs and construction. There is behind-the-scenes complaining with no solution focus. Designs are altered during construction, which upsets the design team. Time and money are lost in changes, and all team members feel angry and undervalued. Responsibility in the form of blaming is *the major focus*.

With collaboration, positive results are achieved when you target: *accountability*, *solution-focus* and effective communication. One or all of these targets is missing in all three scenarios and is *the reason for lack of achievement*.

Without the *elements of collaboration*, change management fails. Lack of buy-in, sabotage, demotivation, and fear create a *culture of stagnation*.

By instilling a *culture of collaboration*, the elements of *communication*, *accountability*, and *solution* create **a template to manage change**. Lack of *personal accountability* can exist in many ways when leaders fail to value or implement a clear collaboration process. Clients mistakenly think that assigning projects is all that is needed to move forward. Projects are often stymied by concerns—such as taking time away from the usual job, giving over power and authority, no channels for discussion, no sense of ownership or motivation. In a *culture of collaboration*, such issues are dealt with openly and honestly. Rather than blaming, the focus is *how we can work together to solve the problem*.

Without effective team collaboration, there's little collegial *communication*. Leaders know less about each other than they know about their direct reports. Candid communication rarely occurs in meetings. Often meetings occur irregularly, and are seen as *a waste of time*.

When people fear taking risks, the culture is one of *competition* and watching your back. No one is willing to open up or offer a creative idea for fear of being wrong. Lack of communication creates a lack of understanding of performance expectations. Performance reviews are viewed with trepidation, and people walk out relieved or upset without much information that can move them forward. Low performance results often come from misunderstanding. *Accountability* can only be sustained with clear expectations in a collaborative culture. The poor functioning of teams is the repercussion of not valuing collaboration by giving the process time and resources. When team members give up—and when leaders burn out—it's not necessarily due to hard times, stress, or challenges, but instead to the lack of collaboration and a sense of team. What is missing is *communication*, *accountability*, and a focus on *solutions*.

Lack of creative thinking is one big barrier to growth. Without a format for creative thinking followed by analysis and innovation, your business won't move into new progressive realms. With sustainable team collaboration, creative thinking is supported and encouraged and takes place ahead of analysis so that out-of-the-box ideas are expressed. Innovation follows, and new ideas are moved into production and implemented successfully.

In a *culture of collaboration*, **certain elements create success:** communication-connection, accountability, and solution focus. These lead to effective teams and strategic results. These elements create *top-performing teams* committed to a common goal and focused on implementation. The team alignment process is used to develop these elements of successful collaboration.

Creating this culture will require all members to make changes in mindset and behavior, starting at the top and with the teams who execute the work. Conduct interviews to discover how each leader sees the organization in the present and future. Ask questions to create a mind-set of *openness to change*. Hold monthly follow-up meetings to address current actions and time lines; and check-in meetings for follow-up and appraisal. Creating a *culture of collaboration* leads to better results. **LE**

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ACTION: Create a culture of collaboration.

Leading with Values

In change, controversy, and crisis.

by Harry Jansen Kraemer, Jr.

NO MATTER HOW WELL you plan for contingencies, you'll likely encounter challenges. Although most leaders want to be known for guiding the company through growth, you can't dictate what will happen on your watch. Change is a constant. If it weren't, you'd have far fewer opportunities on which to capitalize. How you respond to the three Cs of *change*, *controversy*, and *crisis* will be the defining moments of your leadership.

For values-based leaders, the three Cs are where it all comes together. You can talk a good game about your commitment to values and doing the right thing when times are good. It's when the going gets tough, however, that you *broadcast your values* to your team members and to the outside world.

As a former CEO of a $10 billion global health care company, I faced my share of change, controversy, and crisis. Through it all and to this day, I've relied on my values to guide my decisions and actions. *Relying on your values* means that in all situations you face, you remain committed to doing the right thing and doing the best you can.

Principles of Values-Based Leaders

Doing the right thing in every situation is the basis of *values-based leadership.* You may not always make the best decision, and sometimes you need to course-correct. However, your orientation will always be to live and lead through your values. To me, *values-based leadership* encompasses four principles:

• *Self-Reflection:* The ability to reflect and identify what you stand for, what your values are, and what matters most. When a challenge arises, you rely on self-reflection to ground you in your values, beliefs, and standards. In quiet moments, away from distractions, you ask yourself what you might have done differently that could have changed or prevented the situation you face and what you can do about it now.

• *Balance:* The ability to see situations from multiple perspectives, including differing viewpoints, to gain a holistic understanding. Balance reminds you that you don't have all the answers; that as a leader, your job is to recognize *the right solution* by listening to as many different perspectives as possible.

• *True Self-Confidence:* True self-confidence enables you to accept yourself as you are, recognizing strengths and weaknesses, and focusing on continuous improvement. You rely on your strengths, while never considering yourself to be *super-human* or a miracle worker who can single-handedly slay the dragons you face.

• *Genuine Humility:* The ability never to forget who you are, to appreciate the value of each person, and to treat everyone respectfully. Genuine humility reminds you who you are and where you've come from. You recall the colleagues you've worked with over the years on whom you can count to provide ideas,

support, and different perspectives.

With your values intact, you can handle the three Cs. When people ask me, "How do you deal with the stress, worry, and anxiety?" I responded: As long as I stay focused on the four principles of values-based leadership and remain committed to doing the right thing and the best I can, then the stress, worry, and anxiety are minimized.

Dealing with the 3 Cs

Whenever you face the three Cs, you need not panic or become paralyzed as long as you allow your values to guide how you should respond:

Change. Many people find change upsetting and unsettling and try to minimize change. A *values-based leader* knows that trying to avoid change is neither healthy nor productive. A leader can become *proactive*—not just reacting to change, but actually creating it. As changes are implemented, *balance* will remind you to gather input from across the team and not rely solely on your own perspective. *Self-reflection* will elevate your awareness. Ask yourself honestly: is the change truly what's best for the organization, or is this really about me and my desire to make my mark? If it's the latter, the change you're contemplating could well lead to negative, even disastrous, results. Self-reflection keeps you aware of what others are thinking and feeling. You consider how others are reacting to change, particularly if it results in facilities being closed or moved. With that awareness, you devise a communication plan to share information and provide updates, with a promise to let people know when you can tell them more.

Controversy. Controversy requires swift and firm action and clear and frequent communication to keep the situation from escalating. Controversy, such as a product recall, is usually considered news. Don't let the media be the source of information for team members. *Genuine humility* will remind you what it felt like when you were felt out of the loop. Rumors and speculations, most of them inaccurate, preoccupy everyone and cause unnecessary stress. To stop the second-guessing, share information, clearly and frequently.

Crises occur unexpectedly, perhaps an accident that results in injuries or deaths, or an environmental disaster for which the company is responsible. The *dramatic impact* makes for an emotionally charged situation. Fear, worry, and anxiety need to be minimized so that leaders can move forward swiftly, with assuredness and in accord with the values. The leader charts a course forward that is predicated on *doing the right thing*, which may result in an adverse financial impact. To do otherwise, however, is to suffer a bigger cost: a loss of credibility among employees, vendors, suppliers, customers, shareholders, and the leader's circle of friends, family, and supporters. When leaders deviate from values in a crisis, the impact is *far worse* than the problem itself.

As a leader, you will face the three Cs, personally and professionally. To deal with them effectively requires another C: *courage*. With courage, you can adhere to your values and do the right thing. Your values will help you navigate the storms and find your way through uncharted waters to reach the other side safely and with integrity. **LE**

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ACTION: Lead with value in the three Cs.

Art of Convening

Achieve authentic engagement.

by Craig and Patricia Neal

CONVENING IS THE ART AND SCIENCE of gathering and holding people in a safe and generative space, for the sake of *authentic engagement* each time we come together, virtually or in person.

Once, I, Patricia Neal, was the designated *Convener* in a meeting of women executives, gathered to explore the notion of convening as a leadership competency. It was clear that these women were used to running their own show. Many grew into their leadership in results-dominated environments driving definable goals and outcomes where listening skills and vulnerability were not often appreciated. As the Convener, I'd done much preparation, but I was still nervous. Most of the women had never experienced *The Art of Convening,* and many were leaders with defined ways of doing things.

Following introductions, we gathered in a circle. I reminded myself that my intention was to bring authentic engagement to the gathering, and to set aside any motives that could interfere with that intention. Then I asked each woman to speak to an important question they are dealing with as a leader. As each spoke, their responses deepening with each voice, I was reminded of why I love to do this work.

A few common themes emerged: "How do I need to change to bring about the change I want to see?" "How do I create authentic connections with my people?" "I'm tired of doing things the same old way, but don't know what else there is."

Once everyone had spoken, most welcomed the chance to take a deeper dive into their challenges. The room had become electric with energy. And yet the *discomfort* of some was *palpable.*

Many competing agendas emerged, and by mid-afternoon, I'd lost my focus, getting off-track from the agenda. At this point, one leader left the room without comment, obviously disturbed. A flash of anxiety swept over me. Would the group hold together? Would we complete the day?

I knew that I had to refocus on *my intention* to bring *authentic engagement* and suspend my judgment of others in the room and of myself. I was back on track to complete the day's agenda. The comfort level of the group increased, and "ahas" and nuggets of wisdom emerged. There seemed to be an understanding and appreciation for being together in *authentic conversation*. We closed the day as we had opened, hearing each voice. Although there were still voices of discord and disbelief, most of us appreciated the experience.

Comments ranged from: "This would never fly at my office." "What does this have to do with business?" *to:* "I have the courage to think differently and act on it." "Hearing all the voices is a game-changer for me." "My intention is to create *purposeful meetings* with mindfulness and presence."

Leadership is enhanced by the capacity to slow down for authentic engagement, to create authentic relationship, which is at the core of why convening with intention matters.

The Convening Wheel

To illustrate the art of convening, we created the *Convening Wheel*. We start at the center *At the Heart of the Matter*—Who I am in relationship with others.

We then progress through eight *Aspects* of convening—steps that guide our way of being and doing:
• *Clarifying intent:* Aligning our intent with the purpose of our engagement.
• *Inviting:* A sincere offering to engage that integrates purpose and intent.
• *Setting context:* Communicating the form, function, and purpose.
• *Creating the container:* Creating the physical and energetic field.
• *Hearing all voices:* Everybody speaks, is heard and is *present and accounted for*.
• *Essential conversation:* Meaningful exchange within a culture of trust.
• *Creation:* Something new emerges from engagements of shared purpose.
• *Commitment to action:* Agreement to be responsible and accountable.

The Wheel reveals *intuitive progression* of actively engaged relationship. *Meaningful connection and engagement* are key to sustainable, satisfying results. **LE**

Craig and Patricia Neal, with Cindy Wold, are co-authors of The Art of Convening. *Visit heartlandcircle.com/home.htm.*

ACTION: Convene to get at the heart of the matter.

Go from Now to Wow

Recreate your leadership story.

by Howard M. Guttman

THE STORIES YOU TELL yourself, about yourself, can make or break your future.

In a dark moment of the film, "Casablanca," Humphrey Bogart's character is drunk, alone in his bar, when Ilsa, his long-lost love (Ingrid Bergman), walks in the door.

"Can I tell you a story?" she asks.
"Has it got a 'wow' finish?" he slurs.
"I don't know the finish," she says.
"Well go on, tell it. Maybe one will come to you as you go along."

Like Ilsa, when we are faced with challenges in our lives and work, we tell ourselves and those around us stories to explain the situation. But, unlike Ilsa, we know—or *think* we know—the ending: "I don't work well in a team, what's the point of giving this project my best effort?" "My counterparts in Asia don't like me, why should I bother coordinating with them?"

These self-defeating narratives often define our lives, acting as insurmountable obstacles that prevent us from becoming true leaders. These stories may even sound logical. If you hate working in a team, why would you give your all to a team project? And if you think your colleagues in Asia don't like you, why would you go out of your way to work with them?

Most stories exist only in your mind. The reason you "don't work well in a team" might be because you're uncomfortable being challenged or can't manage conflict. And how do you know that your colleagues in Asia don't like you? Have you asked them?

The *going-in* stories that you tell yourself exercise a powerful, often-hidden pull on how you perceive reality, make decisions, and act. They serve as a protective buffer from the mental, emotional, or physical discomfort that you experience when faced with change, enabling you to remain in your comfort zone—safe and unchallenged.

When you change your inner narrative—your going-in story—from negative to positive, limitless possibilities open to you. As an executive coach, I've seen *radical transformations* occur with people who change their *going-in stories*

and witnessed their amazing successes.

Take *Martin*, a HR executive at a Fortune 100 company. He'd just been promoted to head of HR for the Asia-Pacific division when his COO asked me to coach him. Martin's *going-in story* was that he wasn't a true leader whom others sought out for guidance and direction. He thought of himself as a mere hiring-and-firing manager. But now, in every meeting and interaction, he would have to project leadership qualities: strength, confidence, decisiveness, and innovative thinking.

I told Martin that he already had years of leadership experience and already made hundreds of leadership decisions that had affected the lives and productivity of his colleagues.

We created a balance sheet to show the **costs versus benefits** of his *going-in story*. The **benefits** were appealing: By not thinking of himself as a *true leader*, he never had to spearhead innovative initiatives. As long as he did *adequate*—if never ground-breaking—work, his place in the company would be secure.

But what about the **costs**? Now that his managers expected fresh ideas, and people reporting to him looked for leadership, his managers would soon notice that Martin was playing it safe.

Martin realized that he needed to realign his thinking—fast. I call this the *ouch moment*: **you realize that the costs of your going-in story far outweigh the benefits, and you feel a sense of urgency to make a change for the better.**

Ironically, your *going-in stories* are rarely shared by your peers. I once worked with a female executive who had been with the company for three years but still felt she wasn't taken seriously. This *going-in story* kept her from offering suggestions or sharing opinions, even when she felt strongly.

I encouraged her to open up to her colleagues, telling them why she usually kept quiet in meetings. She learned that the rest of the group took her seriously, valued her perspective, and had never considered her *too inexperienced*.

Sharing your *going-in story* with others—in an objective, way—can reveal just how off base your perceptions are.

The stories you tell yourself about your life, wants, and needs can limit your potential, or open up new vistas of possibility. When you test these stories against reality, a new, more positive worldview comes into being. You can even give yourself a *wow* finish. **LE**

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ACTION: Recreate your leadership story.

Strike at the Root

Answer Drucker's five questions.

by Mark Faust

FOR A HALF CENTURY, Peter Drucker boiled down the basics of management to *Five Questions* that are the root of many *problems* and *opportunities* for improvement. How accurately can you and your team answer them?

1. What is our mission? Leaders facilitate the creation and refinement of the mission, but customers (external and internal) must influence its evolution. How do you elicit input from your team regarding the mission? Do you update your mission accordingly?

2. Who is our customer? You must have a prioritized list of your *Best Customers* and *Best Targets for Future Growth*. Do you have these lists, with action items assigned and scheduled? Do you prioritize prospects and customers in need of attention? Do you measure progress toward *customer development*?

3. What do customers value? This question can only be answered by your customer directly. How do you regularly solicit customer input and gather perceptions that matter most?

4. What are our results? This question, too, can only be answered by your customer. Do you regularly solicit customer input, gather perceptions, and measure results?

5. What is our plan? Most every team will claim to have a plan, but is your plan based on the proper input from the efforts in these five questions?

Knowing *people tend to support that which they help to create*, elicit input from your team to ensure *maximum emotional ownership* of the plan—and then *monitor progress* and *measure implementation*.

In few organizations are the right answers to these questions pervasively and accurately known and acted upon.

What Can You Do?

To infuse the answers to these questions into the thoughts and actions of your team, take four steps:

1. Survey your customers—involve your team. Enlist input from team members to create the initial questions.

2. Survey your team (internal customers).

Choose an objective method to conduct these surveys. Assure and enforce 100 percent confidence and privacy if requested. Disseminate only an amalgamated list of findings. Enlist objective, independent outside assistance.

3. Disseminate the answers and refine the questioning process. After conducting customer surveys, you'll find areas that need more or less questioning. You'll also find the *Sweet Spot*—the area Drucker points to with questions 3 and 4. Here is where you can identify the value you *uniquely* impart to your customer. Identify and quantify this, qualify and make credible with third-party references (customers), and create questions that elicit a qualification in new prospects and you've identified the Holy Grail of consultative selling—*Creating the Questioning Vocabulary*. Organizations that believe in and benefit from *Partnering* vs. *Transactional* relationships must evolve the selling to a *Qualification Process* using questions that quantify value to the point that *engagement becomes an obvious decision*.

4. Use the findings to create, execute, and maintain your plan—communicate the findings and act on feedback. Customers' and employees' enthusiasm and focus are engendered when they see the findings. Reviewing findings helps to secure customer's commitment to the relationship when they see that you are addressing issues and see the other *good reasons to stay engaged* that other customers bring up. Report on facets of all three areas: 1) *The Good:* What are we doing well? Why do you continue to buy from us vs. the competition? 2) *The Bad:* What could we do better? What do you like about the competition? And 3) *The New:* What would you like to see us add or do differently? What are your top challenges as it relates to our serving you? If we could solve any of your XYZ problems, what would you want us to tackle first? Why haven't you bought our X, Y, or Z service? Since people want to know they've been heard, be sure to communicate, "as the result of your input we will be . . . ."

Don't assume *the perceptions of the customer*. Conduct regular, systematic, qualitative surveys in the form of open-ended conversations that allow the customer to speak on any issue in a free, open, safe and objective forum. **LE**

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ACTION: Address and answer these five questions.

Wisdom as Leadership

It's the indispensible success element.

by Oliver DeMille

FOR MILLENNIA THE greatest aspiration of leaders was to attain and apply wisdom, but in our modern world this is largely a forgotten goal. Few leaders mention wisdom today, instead pointing to achievements of policy, technique, science, technology, arts, business, and government. Recent books discussing wisdom are rare, though it is the central subject of the great classics. While modernism claims progress on nearly every front, the wisest admit that wisdom is often lost with the passing decades.

Our management and leadership literature speaks of *effectiveness, success, skills, personality, quality, progress, globalism, competitive advantage, innovative disruptors, sustainability*, and other concepts, but seldom of *wisdom*.
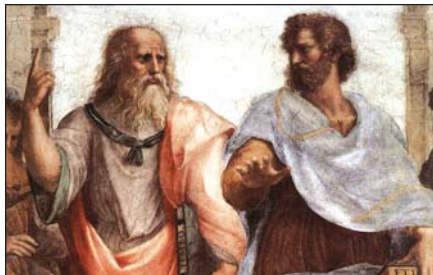
Yet, in reality, wisdom is *the* indispensable element of success—personal, national and societal. All disciplines claim wisdom, and all profess to seek wisdom. Yet few textbooks or teachers make any claim to it. Modern scholars are seldom *expected* to be wise. Instead, they're asked to be expert, focused, precise, and prolific. Seeking wisdom, in fact, is often a dangerous tact in modern academic settings. And our culture does little to learn wisdom from its elderly, despite the fact that this was the major source of wisdom for most people in history.

A unique feature of wisdom is that it "cannot be misused," as Mortimer Adler put it—unlike art, science, technology, leadership skills, knowledge, courage, loyalty, belief and power. All of these have at times been used for corrupt goals, but *any misuse of wisdom is unwise*, and therefore a counterfeit. Real wisdom is always used positively.

Plato considered *wisdom* the ruler of all other virtues, and Socrates showed that no men were entirely wise. The Greeks and the Hebrews were *passionate seekers of wisdom*. Sophocles wrote, "wisdom is the supreme part of happiness." Throughout history, a high priority was placed on wisdom. The great classics are the world's repository of wisdom, and the application of wis-

dom to all fields resulted in both *success* (the conservative goal) and *progress* (the liberal objective). We are the modern heirs of generations who sought wisdom above all things. Socrates said that *no talents, strengths, abilities or virtues are of any real value absent wisdom*. Wisdom strengthens every other strength, and its lack nullifies or at least weakens any supposed strength. Socrates also said, "Everything the soul attempts, under the guidance of wisdom, ends in happiness." Aristotle applied this same idea to organizations and nations.

Some societies place *duty* as the highest goal; others emphasize *righteousness*, and still others *strength, progress*, or *success*. All of these require wisdom. To paraphrase Aristotle, if a society's definition of duty, righteousness, strength, progress or success is noble, then seek-

ing these things is laudable. But if the society's definition of these things is lacking, seeking them is mere *cleverness*.

In *Democracy in America*, Tocqueville noted that while Americans were less formally educated than the European elite of his day, they were *constantly learning* and *prone to apply their knowledge in practical ways*. Indeed, advanced formal education can be a roadblock to innovative thinking. *Wisdom is about more than mere knowing—it requires doing*. We must *apply* wisdom, *or it isn't real wisdom*.

In our time, sadly, *wisdom* has been lost as the preeminent social value. Other societies that once held wisdom as the highest value, only to lose it, include Athens, Israel, Rome, and Britain, among others. When they lost the central priority of wisdom, they soon lost their place as world leader. And the *wisdom priority* was part of what brought them to power in the first place. ***The results of genuine wisdom in a society are progress and success.***

Yet for nearly a century our leading minds and institutions have empha-

sized the search for *success, progress* or *truth* with little reference to *wisdom*. Only with wisdom can we understand truth, increase progress, and expand success when we find them.

We need a return to wisdom as a priority and goal, and recognize it as a vital element in leadership. Yet, academia seldom emphasize teaching us to be wise, and few government, media or other major institutions seem committed to such a course.

A powerful tide is surging across much of the world, creating a new, often bizarre environment in which to work, play, marry, raise children, or retire. In this bewildering context, businessmen swim against highly erratic economic currents; politicians see their ratings bob wildly up and down. Value systems splinter and crash, while the lifeboats of family, church, and state are hurled madly about."—Alvin Toffler

It is in the realm of business leadership that wisdom is still most actively sought, promoted and encouraged. If wisdom is to make a return to its essential place in our society, it will likely come from our business leaders.

How can business executives lead this necessary revival—after all, such social leadership is neither their primary purpose nor obvious calling. Yet the call to social influence is emerging as the next level of executive purpose—a natural development in a chain of progress from the small merchant to the independent professional, from management to leadership, and now from the corporate executive to the social leader. Just as managers transcended "doing things right" to the leadership principle of "doing the right things," corporations are increasingly seen as major societal institutions on par with governments—their role now is to "do the truly important things."

Once *managers* were to *do things right* within the scope of the position. *Leaders* were to *do the right things* within the scope of the organization. Today, leaders *do the truly important things* within the scope of society. Top executives are now seen as community, national and international leaders. Business acumen is only part of corporate leadership. Societies turn to CEOs and other leaders as a new brand of statesmen. In all this, *nothing matters more than wisdom*. Great leaders seek to make wise choices, knowing wisdom *is* leadership. **LE**

Oliver DeMille is founder and former president of George Wythe University, co-founder of the Center for Social Leadership, and author of A Thomas Jefferson Education, The Coming Aristocracy *and* Freedomshift: 3 Choices to Reclaim America's Destiny. *Visit www.thesocialleader.com.*

ACTION: Cultivate the wisdom of your leaders.

Bumpy Path to Success

Learn lessons from Ronald Reagan.

by Margot Morrell

TODAY RONALD Reagan is regarded as a great American success story. We think of him striding through halls of power, mingling with heads of state, standing against a backdrop of red, white and blue—the embodiment of power and success.

But that wasn't always the case: his hard-won success was the result of overcoming hardships and challenges. Four times he slammed into a brick wall: the 1948 divorce from his first wife, actress Jane Wyman; the collapse of his movie career; the termination of his contract with General Electric; and the hard-fought loss to President Gerald Ford in the 1976 primary campaign. Yet every time he picked himself up, kept going, and went on to greater success. How did he do that?

## Learn and Apply Eight Lessons

From Reagan's example, you can learn eight lessons:

1. He was clear about his talents and strengths. He graduated from college in 1932 in the Depression. Unemployment was 24 percent. Like many youths, he was vague about his career. He hadn't thought much past his summer job as a lifeguard. That changed when a mentor, Sid Altschuler, asked him, "What do you think you'd like to do?" Reagan was confronted by a decision. How did he want to spend most of his waking hours for the next 50 years? For two days and "sleepless nights" he thought about what he liked doing. He loved sports and had won an "Oscar" for Best Actor in college theater competition. He decided being a sportscaster would be a way to tap into his strengths as an entertainer and enable him to pursue his passion for sports.

2. Once focused on a course of action, he supported his goal with determination and persistence. Reagan encountered many obstacles, even when his vision was clear. Strapped for funds, he hitchhiked to Chicago, slept on a friend's couch, walked everywhere, and spent a week knocking on unwelcoming doors. He thumbed his way home in the rain at the end of the week with nothing to show for his efforts. But he listened intently to advice that a young woman at radio station WMAQ gave him—that he had a better chance of finding an entry-level job "in the sticks." So, he borrowed his father's car and headed to Davenport, Iowa, prepared to knock on more doors.

3. He saw that opportunity comes in work-clothes. He was offered a job announcing the University of Iowa's home football games. The pay was $5 and bus-fare—about $100 today. At the end of the season, he received no job offer for two months. Finally, he was offered a job as a sportscaster at $100 a month. He was in Davenport the next day. A few weeks later, he was fired for being "plain awful" at reading a script. While the station searched for a replacement, he demanded coaching sessions from
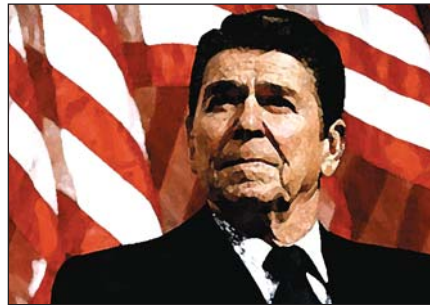
his boss. Suddenly his career was back on track. Two months later, he was a rising star—and his salary had doubled.

4. He rose to new challenges. When offered an opportunity, Reagan, always said, "Sure." He never wasted time doubting his abilities and never hesitated to take on new challenges. Starting out in radio, he built his confidence by learning everything he could. His expertise was "shamelessly stolen from sports columns in the Chicago papers."

5. He set high goals. It would have been easy for Reagan to settle into a comfortable career in radio, but he wanted to be a movie star. He set about working his connections. From the radio station, he knew a band—Al Clauser and his Oklahoma Outlaws—who were in Hollywood making a movie. He took them up on an invitation to spend a day watching them film. He then reached out to another radio station alum who had once stood him up for a date. No matter. She was the person who could introduce him to an agent. And she did. He was on his way.

6. He made tough transitions. At the peak of his Hollywood career, during World War II, Reagan was called up for military service. After the war, despite some promising roles, his movie career never got back on track. In 1951, he turned 40. His life was a shambles; his career in free-fall. The movie industry was under pressure. A two-year string of union strikes had wreaked havoc on Hollywood. A 1948 Supreme Court ruling forced the studios to divest themselves of their movie theaters. And people who had gone out to see movies were now watching television.

7. He made and kept connections. Reagan continued pursuing his interests. He got involved in associations and stayed in touch with his agents and contacts. The tougher things got, the more he worked his connections. He turned down unpromising jobs and waited for the right opportunity. When General Electric offered him a job as host and narrator of *General Electric Theater* and ambassador to GE's workforce and communities, he snapped it up. Over the next eight years, he gave some 9,000 speeches. He greeted workers, walked assembly-lines, spoke to community groups, and gave after-dinner speeches. He had a "good idea" of what people were thinking. During his years with GE, Reagan talked to countless Americans about their lives and struggles, and created a vast network.

8. He created a new path. In 1962 his career again came to a standstill. GE's once ground-breaking program had reached the end of its run. When confronted with a transition point, Reagan paused to take stock of his successes and determine how they could be used to set goals for his future. He continued giving speeches and got involved in politics. He tried on a number of hats.

Today it's easy to forget that Ronald Reagan's career path wasn't easy and that his success wasn't assured from the start. Like everyone, *he hit bumps along the way*, but his path to success started with setting his sights on his dream job and then coaching himself to the top of five professions—radio, acting, union leader, public speaker and politics.

His life story reminds us that our success will come from: developing our strengths, setting aggressive goals, taking on challenges, and staying in touch with friends, associates and mentors. **LE**

ACTION: Apply these lessons in your leadership.

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