Pause to Lead

Future-Proofing

Leadership Recipe

Bold, Effective Leadership

Kevin Wilde
CLO General Mills

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

LEADERSHIP Excellence

Warren Bennis's

CELEBRATING 25 years OF EXCELLENCE

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

VOL. 29 NO. 10   THE GLOBAL LEADERSHIP DEVELOPMENT RESOURCE   NOVEMBER 2012

Princess in the Tower

In many leadership stories from literature, mythology, history, and biography, the elements are similar—the crumbling tower, the thorns and brambles surrounding it, and the prince or princess trapped inside—but it's up to the leader to create the plot and the decisive points of departure.

The Leadership Craze

Everybody is now into development.

by Ken Shelton

I JUST RETURNED FROM PALM Desert, California where I attended the *Global Institute for Leadership Development* (see the GILD special edition of LE), and in October I released our *2012 ranking of top LD programs* (on our web site, www.LeaderExcel.com). I was soon thereafter asked these questions:

Why do we compile this annual list of the top LD programs in the U.S.? For 30 years, we've published the magazines of Personal, Professional and Leadership Development. Seven years ago, we started the ranking to encourage improvement and progress in LD programs, processes, and practices.

How has the challenging economy in recent years impacted LD programs? LD programs have been surprisingly resilient to budget cutbacks, as more CEOs and even CFOs see the ROI on LD. Despite the global recession, organizations boosted spending on LD by 14 percent, with high-potential leaders receiving 19 percent of the budget (first-level and mid-level leaders consume 60 percent of the budget and another 22 percent is allocated to senior leaders with per participant spend for high-potential leaders: $7,100; senior leaders: $6,000; mid-level leaders: $2,700; and first-level leaders: $1,700. According to Bersin & Associates, critical leadership skills needed in the next few years are the ability to demonstrate global acumen, exercise innovative thinking, execute on the ideas, nurture global networks, be agile, and lead others authentically with emotional intelligence. Develop leaders in these areas and promote them from within.

Why does a commitment to LD matter? Commitment to LD equates to a commitment to sustainable success. Some of the best LD happens in small companies without formal programs or financial investment but with much mentoring and modeling—and challenging assignments.

Name one interesting and valuable LD practice. Strategic Mobility, meaning regional, national and global assignments aimed at stretching and challenging high potential managers and leaders, resulting in broader perspectives and richer marketing networks. *Experiential Learning* is a key component in the best LD programs.

How does a company earn the No. 1 ranking? For example, General Mills has an amazing portfolio of LD options and opportunities, and they are all linked to the business purpose. All that is done in the name of LD contributes directly and indirectly to business results, usually within three years, making the ROI measurable and meaningful. Moreover, General Mills sends a message: *We care about you as a person. You matter to us for who you are as well as for what you contribute to the company.* Over time, you create a *culture of development*. Good people tend to stay in such cultures. (See the article by *Kevin Wilde* in this issue.)

This month we release our list of *50 Best Practices in Leadership Development*.

Kevin Wilde

Stay at the Ayres Hotel and Suites

While in Southern California, I stayed two nights at the *Ayres Hotel and Suites* in Costa Mesa, convenient to the Orange County / John Wayne Airport and a few miles from Newport Beach. I always enjoy the elegance (and economy) of this European-styled boutique hotel. General Manager *Susan O'Brien Moore* and Office Manager *Erin Alamillo* provide excellent service.

The lobby features marble fireplaces, antiques, flowers, oil paintings and tapestries. There's a cobblestone courtyard, lovely gardens, fountain, pool and spa, fitness studio, business center, and 12,200 sq. ft. of stylish meeting and event space. It offers deluxe guestrooms and suites, pillow-top mattress beds, jetted tub, wet bar, MP3 player, complimentary high-speed internet, refrigerator, flat-screen TV, dual-line phones with voicemail and room service.

Needless to say, beyond doing business, there is much to do and to enjoy in the Newport Beach area. And, for the money, you can take three trips to California for every one trip to Europe or Asia. **LE**

Ken Shelton
Editor since 1984

Executive
Excellence
Publishing

Future-Proofing

It's the key to sustainability.

by Gary Hamel

LEADERS NEED TO FOLlow certain *design rules* to build a company that can change fast. No company today is as adaptable as it needs to be. Google, Amazon, and Apple morph their core business while inventing new ones, without a performance slump, but these companies are relatively young, have been revolutionaries since birth, and have been blessed with leaders who are serial visionaries.

By contrast, your company has likely existed for decades, is inherently conservative, and led by sober-suited administrators, not T-shirt-wearing rebels. Its management processes—the tools and systems it uses to set goals, create plans, allocate resources, manage operations, and measure performance—were built years ago with one goal in mind: *efficiency*. We have organizations that are focused, methodical, and rigorous, but not very inspired, proactive, experimental, or *adaptive*.

Six critical factors make a company adaptable. Three focus on forms of *flexibility*: intellectual, strategic, and structural; and three focus on *anticipation, variety*, and *resilience-friendly values*. This *framework* helps you identify the adaptability challenges and leverage points.

• **Anticipation:** *You can't outrun the future if you don't see it coming.*

1. Face the inevitable. Leaders often miss the future not because it is *unknowable*, but because it is *disconcerting*. 0Some people see the handwriting on the wall, but senior management has its emotional equity invested in the past. To guard against such nostalgia, *ensure that the top team doesn't dominate the strategy discussion*. Create an on- line forum where those who are alert to emerging challenges can raise the alarm and suggest potential responses. Conversations about *where we go next* should be dominated by individuals who invest their emotional equity in the future and who don't need to defend decisions made 10 or 20 years ago.

2. Learn from the fringe. The future starts *on the fringe*, so pay attention to nascent technologies, unconventional competitors, and unserved customer groups. Explore emerging trends in technology, lifestyles, regulation, and venture capital. Get out into the field. Talk to inventors, academics, journalists, social campaigners. It's hard to see the future sitting behind a desk. Spend time *future hunting*. The future will sneak up on you unless you look for it.

3. Rehearse alternate futures. Beyond *spotting trends*, you must *think through their implications*—and *develop contingency plans* appropriate to each potential storyline. The more time you devote to rehearsing alternate futures, the faster you can react when one particular future begins to unfold: "Hey, we've seen this movie and we know what comes next, so let's get moving."

• **Intellectual Flexibility:** *An adaptable company requires adaptable minds.*

1. Challenge assumptions. Deeprooted assumptions are big barriers to

adaptation. To uncover *conventional beliefs*, imagine how you might achieve *unconventional outcomes*.

2. Invest in genetic diversity. In *nature* and in *business*, a lack of diversity limits the ability to adapt and change. Fact is, despite all those diversity programs, most companies are still diversity-challenged. Often the executive committee is comprised of long-serving veterans whose experiences and attitudes are more alike than different. *Homogeneity* has its virtues—it facilitates communication and speeds decision making—but it also limits a company's ability to respond to unconventional threats and opportunities. Teams need to reflect diversity in age, gender, culture, skills and industry experience. Change usually takes a catalyst, and the best catalyst is someone whose views and life experiences differ considerably from your own. Overweight every decision-making team with individuals who are younger, have worked in other industries, and *aren't based* at the head office.

3. Encourage debate and dialectic thinking. Diversity is of little value if leaders value conformance and alignment above all else. Vigorous debate improves decisions. Malcontents and rebels are usually the first to sense the impending demise of a long-cherished business model, and the first to see the value in wacky, new ideas. Yet these folks are often muzzled. On key issues, managers need to ask subordinates and colleagues: *Where do I have this wrong? What would you do differently? Is there an option I haven't considered?* The best leaders get the most options on the table before making a decision, and the most adaptable companies encourage folks to voice heretical viewpoints.

Strategic Variety: *To give up the bird in the hand, you have to see a flock in the bush.*

1. Build a portfolio of new strategic options. Without exciting new options, leaders inevitably opt for more of the same. Renewal depends on generating and testing many new strategic options.

2. Build a magnet for great ideas. Cast the innovation net widely. The battle for renewal is, in part, a battle to capture more than your fair share of the world's great ideas. You can't be adaptable if you're not open to learning from unexpected places.

3. Minimize the cost of experimentation. You can't explore many *new options* if it costs millions of dollars to test each one. So, master the art of rapid prototyping. *Maximize the ratio of learning over investment* to find the sweet spot of demand for a new product, or perfect a nascent business rapidly and inexpensively. *Experiment cheaply* by developing storyboards, simulations, role-playing scenarios, and mock-ups that enable customers to interact with early-stage ideas. *Learn early, learn cheap, learn fast.*

• **Strategic Flexibility:** *Nimble beats big.*

1. Disaggregate the organization. In large business units, there is often a lack of *intellectual diversity*, as people in the same unit tend to think alike, and new ideas have a longer gauntlet to run. Also, they tend to undermine personal accountability. A person who's *one of thousands*, rather than *one of a few*, isn't likely to feel a *personal sense of responsibility*. Small, differentiated units are a boon to adaptability. Leaders who overweight the advantages of scale combine small units into big ones (turning acrobats into muscle-bound giants). It's fine to *look big* on the outside, but the company should *feel small* on the inside.

2. Create real competition for resources. Leaders fail when they over-invest in *what is* at the expense of *what could be*. Leaders need to set aside a share of the

capital budget for innovative projects, allocate resources to more innovative units, and relax the investment criteria for small, experimental projects. Take fewer big risks, more small risks, and *create incentives for talent mobility* (those who change jobs to build a new business should be rewarded more than one who opts for a caretaker role).

3. Multiply the sources of funding for new initiatives. Often there is *one buyer* or source of funding for new ideas—up the chain of command. If the project doesn't dovetail with the boss's priorities or prejudices, it doesn't get funded. Multiply the sources of funding.

• *Structural Flexibility: Surrender freedoms reluctantly; guard flexibility diligently.*

1. Avoid irreversible commitments. Managers need to evaluate the *adaptability costs* of every decision by asking: *How might this decision lock us in? Where does it reduce our degrees of freedom? What would it cost us to get out?* Make *reversibility* a critical parameter in all decisions.

2. Invest in flexibility. Leaders must act positively to increase *room to maneuver.* In fractured markets, you gain a decisive advantage when you reduce your breakeven point, or accommodate greater variety in your product mix.

3. Think competencies and platforms. Decouple your fortunes from the fate of any particular market or product category. This requires a corporate *self-definition* that is elastic and extensible, built around *deep competencies* and *broad platforms,* not specific products and services.

• *Resilience-Friendly Values: Build adaptability into your company's DNA.*

1. Embrace a grand challenge. People are usually *pushed to change* by *circumstances* or *crises,* but they'll rush to *embrace* change when seduced by an opportunity to do something *exciting,* or *virtuous.* So, give people an enticing challenge that draws them forward, or let them define their own. In the absence of *purpose,* only *pain* can disrupt the status quo.

2. Embed new management principles. Most organizations are designed to be *disciplined* and *efficient,* not *adaptable.* Leaders must complement *efficiency* with *adaptability,* learning from things that *demonstrate adaptability* to uncover the principles for building adaptable firms.

3. Honor web-inspired values. At the heart of the Web lies social values: *community, transparency, freedom, meritocracy, openness,* and *collaboration.* Leaders must integrate these values and reject corporate values of *control, discipline, accountability, reliability,* and *predictability.* **LE**

Gary Hamel is a #1 rated consultant and author of What Matters Now *(Wiley/JB). Visit www.garyhamel.com.*

ACTION: Become adaptable to be sustainable.

Executive Skill Set

You need nine skills, one trait.

by Louis Carter and Brian Fishel

BEING A SENIOR EXECUTIVE USED TO BE easier. Today, executives must be bold leaders, inspiring team-builders, and great communicators.

If you have an eye on the corner office, here are **10 skills** you need.

Three Leadership Skills

1. Translate your vision into action. Your clear vision and elaborate strategy aren't worth much if you fail to connect your people to them. So, break *the vision* down into accessible chunks of actionable steps and sub-strategies that your people can understand and buy into.

2. Align your strategy with the entire organization. Align all of the indirect and cross-functional people who may play a big role in your success. Since functional units tend to work at cross-purposes, you can't focus solely on your area. You work for the company— not just your line of business. To become aligned with the cross-functional people in your path, *break through bureaucratic boundaries.* Build relationships. Engage key people outside your line of business in developing your strategy and execution plan.

3. Select and develop great talent. Talent development is a huge differentiator. The best executives size up talent quickly and accurately. A good executive is a teacher, trainer and coach. Put people in the right roles—ones they are ready for, ones that challenge them to stretch their skills. Then help them succeed. Make people around you better.

Three People Skills

1. Ability to build loyalty. If nobody is following, you're not leading. How do you *gain trust* and *build loyalty*? Be a great communicator, and be accountable. You can't throw your people under the bus and then expect their loyalty. They need to know that *you have their back* and will take heat for them when necessary.

2. Delegate appropriately. Never delegate a responsibility without delegating the proper authority. If you assign an individual or team to develop a plan, and after their hard work, you veto the result because you would have done it differently, you communicate to your people that they need to be cautious and tentative, since any decisive action may be struck down. You become the bottleneck stifling your team's success.

3. Expect much. Some leaders have the best people and get the best results because they communicate: *Our standards are high, and we expect you to measure up to them.* People want to be challenged to do their best and to be part of a team that aspires for the extraordinary.

Three Communication Skills

1. Listen. You once scored points by being a stand out with strong opinions and star performance. Now, as a leader, it's no longer about *you*—it's about the people you are leading. Your job is to bring the best out of your people, because your success will be measured by how well they do. Once you understand that, you become a good listener.

2. Be approachable. Now that you're listening, let your people know that they can speak up and be honest with you. *Give them permission to debate,* to challenge, to pushback. Accept unfiltered feedback to create a culture where people feel safe in speaking out.

3. Be predictable. People want to please you, but they can't if they can't figure you out. If you are always changing course and giving mixed signals, your people will be afraid to act. So, be consistent and predictable. When your people understand your values and how you think, they won't have to come to you so often—they'll learn for themselves how you want things done in new situations.

One Essential Personal Quality

Resiliency. The only way to survive as a leader is to be resilient. Yes, you'll make mistakes and be attacked. When your career is on the line, you can throw in the towel, or ask: *What can I learn from this experience? How can I do it differently and better next time?* If you can respond to challenges in a positive and adaptive way, you'll succeed. **LE**

Louis Carter is CEO of Best Practice Institute and author of Best Practices in Leadership Development. *Brian Fishel is SVP, Enterprise Talent Management and Executive Development at Bank of America. Visit www.louiscarter.com.*

ACTION: Cultivate the skills and one master trait.

Career Conversation

It's today's common sense competency.

by Beverly Kaye and Julie Winkle Giulioni

LEADERS READ THE HEADLINES. They know about the survey data. The linkages between *career development* and productivity gains, expense reduction, quality improvements, innovation, and bottom-line results are obvious.

And yet most organizations are still poor at growing talent. It's time to elevate the *career conversation* to its rightful ranks—give it the respect and title it deserves. Talking with people about their careers is a competency—perhaps the most powerful and under-utilized one at a leader's disposal.

Defining Terms

Let's face it, the term *career development* strikes fear into managers' hearts. What does *career development* mean to you? What's involved? What's your role? Whatever your answer, we'll bet that ours is simpler. You see, many managers are intimidated by or steer clear of career development because they have a mistaken, convoluted, or overwhelming definition of the term.

So, try this definition: *Career development is helping others grow. Helping others grow* can take a nearly unlimited number of forms. You might help people prepare for and move to new or expanded roles in obvious and visible ways. But more frequently, growth shows up in small, subtle ways that quietly create greater challenge, interest, and satisfaction in a job.

Too often *career development* evokes images of forms, checklists, and deadlines. And let's be honest—you've got to address those items to support the organization. But administrative details are not career development.

Talk Is Not Cheap

Genuine and meaningful *career development* occurs through conversation. So, shed yourselves of the belief that *talk is cheap* because talk is the most powerful and results-driving tool for helping others grow.

Astute leaders engage in effective career conversations, knowing that *conversation has the power to touch employees' hearts and minds*. You need nothing more than your own words to spark reflection and commitment. From that can spring employee-generated actions.

Genuine *career development* isn't about forms, choreographing new assignments, or orchestrating promotions. It's about having *quality conversations* that facilitate insights and awareness, explore possibilities and opportunities, and inspire responses that drive employee-owned action. Hence, practicing career conversations is now a strategic priority.

Less Is More

And it doesn't have to bite painfully into your limited time. To be effective, you don't need to hold lengthy summits with employees, solving all of the career problems of the world in one big meeting to help others get results. In fact, in many cases less can be more.

When you reframe *career development* in terms of *ongoing conversations*—rather than *procedural checkpoints* or *scheduled activities*— suddenly you have more flexibility and the chance to develop careers organically, when and where authentic opportunities arise.

You don't get more points for the length of the conversation. You get more points for stimulating thinking.

Would you rather sit with a person for two hours and map out a career plan for the year? Or do the same thing in a dozen 10-minute conversations over the year? It's the same *120 minutes* offered up in smaller, bite-size servings.

Increasingly, time-starved managers are opting for shorter, more frequent conversations that can cover the same ground as their heftier cousins (maybe more) but in an iterative and ongoing fashion. The four benefits are compelling: 1) shorter conversations fit better with the cadence of business today; 2) frequent, ongoing dialogue communicates a genuine commitment to the employee and development; 3) iterative conversations allow employees to layer awareness, insights, and action more naturally; and 4) the ongoing nature of the conversation keeps development alive in everyone's mind (vs. tucking it away for a formal meeting).

The ability to engage in short, targeted, ongoing career conversations makes career development efficient—for you and the employee—because they happen within the workflow where genuine opportunities exist.

In a career conversation, employees should do 90 percent of the talking. If you're talking more than 10 percent, you're taking on too much responsibility for their development and robbing them of ownership for their careers.

If the work of career development happens within the context of conversation, then the primary tool of the trade must be asking quality questions. You don't need to have *all the answers,* but you must be ready with questions.

Closure Is Overrated

You need not have all the answers. And neither do employees. In fact, not having all the answers may actually drive more thought and energy.

According to Russian psychologist Bluma Zeigarnik, *we remember better what is incomplete.* The mind, uncomfortable with what is left unfinished, continues to focus on the question or problem.

What does this science have to do with helping people grow? Many managers shy away from hard questions and conversations where they might not have all the answers. If you're one of them, you don't have to do that any longer. Go ahead and courageously ask the challenging questions and even end the conversation with a real tough or thought-provoking one that the employee can contemplate for a while.

Don't feel the pressure to wrap up every conversation with a bow. Closure is overrated. Unfinished business—that's what will cause employees to continue to ponder and will ultimately spark action and feed progress.

If we want leaders to help others grow, let's give this critical responsibility and competency the respect it is due. Let's focus on the skills involved and recommit to the career conversation. LE

Beverly Kaye is co-CEO of Career Systems Intl., speaker, writer, and product developer, beverly.kaye@careersystemsintl.com. Julie Winkle Giulioni is cofounder of DesignArounds, an instructional design firm, julie@juliewinklegiulioni.com. They're coauthors of Help Them Grow or Watch Them Go. *(Berrett-Koehler).*

ACTION: Engage in career conversations.

Look Up at Your Culture

See it from the top down and bottom up.
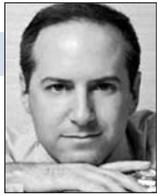
by Eric C. Sinoway

YOU'RE SURROUNDED by your culture, even if you forget it's there. And, an untended culture can become an *unseen* but *destructive* force. Leaders ignore the challenges of culture at their own peril. To quote my mentor Howard Stevenson, the iconic father of entrepreneurship at Harvard Business School, *Culture trumps strategy*.

During his 40-year career, Howard studied organizations and identified the factors that contribute to strong, productive cultures. Likewise, I closely observe the cultures of organizations. We can't build partnerships effectively if we don't understand the perspectives and cultures of the organizations.

Since Howard and I both seek to understand how people are motivated (and de-motivated)—we often discuss the challenge of culture. In fact, the *Calculus of Culture* is a key topic of my book, *Howard's Gift*, which draws on the conversations Howard and I had over the years. Many conversations focused not on the leadership perspective of culture—the view from the top—but on the perspective of *the employee*. We adapted that perspective because we recognized that understanding the culture in which a person works—and would *most like* to work—is key to that person's ability to achieve career satisfaction. As Howard said: "The difference between being in a culture that works for you and one that doesn't is the difference between just having a job and feeling that you're doing your life's work." People feel deeply connected to great organizations.

While leaders need to view culture from the top down, they can't understand their culture or gauge its relative effectiveness unless they also see it from the bottom up. They must assess the culture from the perspective of the individual men and women who will be responsible for the organization's success (or failure).

Answer Five Questions

To guide that exercise, I offer *five questions* that you can use to assess your culture and identify the culture in which you can thrive. Culture emerges from two elements: how the mission and values align with the reward system; and how power and information are used and shared.

Question 1: Is everyone singing the same chorus? Can average employees explain your organization's mission, why it exists, and how they fit into that mission? Can their colleagues do the same? Do they all agree on what is valued most? *Mission*, *purpose*, and *values* are the core elements of a culture, and those not in synch with them will experience friction. Moreover, if there's no common view of these things, if people don't know how they fit into the larger, coherent picture, then the mission, strategies, and values don't fully exist: everyone ends up pulling in a slightly different direction. The most effective cultures emerge from self-

aware organizations—those that consistently, and energetically define their purpose and values to the people who work for them.

Question 2: How do leaders lead? There are *three key elements* to this question: 1) whether the leaders' actions match their words—especially what they say about values and goals—and if they follow through on their commitments (cultures are much more stable and easier to navigate when leaders do exactly what they say they'll do and act in accord with the values they espouse); 2) whether leaders hold themselves, individually and collectively, accountable for the performance of the people and units they lead (leadership accountability is inversely related to how political the culture is; who takes responsibility for disappointing outcomes or outright failures; and who gets credit for positive developments and major successes); 3) how leaders use power—how they balance the use of *authority* to compel people to do something and the fostering of a sense of *responsibility* for accomplishing a goal. Too often, authority-oriented leadership cultures create employees who say, "I did what I was told and it's not my responsibility if it failed." In effective cultures, a *responsibility orientation* is how power is exercised.

Question 3: Who gets to drink from the information reservoir? Just as effective leadership depends on having the right information, culture is shaped by how—and how much—information is shared. Effective cultures proactively push information out, for the sake of creating well-informed and broadly knowledgeable staff. Ineffective cultures treat information as a zeros-sum game—making everyone less *rich* in their capacities, knowledge, and insights; and an information-hoarding culture undermines their ability to grow and achieve their professional potential. A key facet of the information-flow question is how bad news is shared and criticism is delivered: effective cultures are transparent and objective in conveying information when something goes wrong; and, while problems and shortcomings are identified, the emphasis is not on *placing blame* but on laying out a path to improvement.

Question 4: Is this an organization of teams or of stars-and-satellites? There's a common belief that *stars* create enormous value solely through their exceptional talents; that organizations succeed by surrounding a few stars with a supporting cast of interchangeable players. That belief is false: the graveyard is filled with the *irreplaceable*. The point of an organization is to achieve goals that individuals can't achieve alone. The surrounding *cast of characters* makes the difference between *mediocrity* and *excellence*. Effective cultures do not create a caste system; they recognize the value that each piece of the team—whether an individual or a business unit—brings to the effort.

Question 5: How does an organization evaluate performance? Bottom line, the most potent contributor to a culture is how it tells employees if they're succeeding or not. Effective cultures measure and reward performance based on clear and consistent goals and benchmarks that are guided by the mission, goals, and values. Most leaders acknowledge this and rely on their formal, annual review processes to communicate that message. Far fewer recognize its importance in the informal day-to-day assessment that emerges from ongoing feedback and critical responses

received by individuals and teams. This continuous stream of informal communication is a big part of the tone and feel of employees' experience. In both formal assessments and informal communication, the combination of transparency and predictability are fundamental to an individual's sense of job satisfaction and personal achievement. In contrast, a lack of transparency and predictability in assessing performance leads to an ineffective culture: trust runs thin; employees are confused, on-edge, and tentative; they don't commit 100 percent because they're always waiting for new, shifting directions; and, when they do succeed, they feel lucky rather than fulfilled.

Once you've addressed those questions from the perspectives of individual employees in different places in the hierarchy, *internalize those perspectives* and ask yourself: If I wasn't the boss, would I feel comfortable in the day-to-day culture my employees experience? Could I navigate effectively in this culture, or would I find myself tripping over landmines I didn't know existed? Would I feel secure, psychologically and professionally—or would I be looking around for another culture that better fits my goals and capacities?

If you're honest in answering the five big *culture* questions through the lenses of the people who work for you, you might pick up some valuable lessons and ideas about strengthening the culture—and the vitality—of your organization.

How Can You Know?

How will you know when you've created a strong, effective culture? I'll answer that question by telling you about Howard's dear friend and mentor, *Frank Batten*, the news entrepreneur and pioneer in cable systems. Frank created the Weather Channel, was chairman of the Associated Press, and led Landmark Communications with great success. But what most impressed Howard was Frank's integrity, vision, and the values he instilled in his companies. "Those qualities were the basic elements of the culture Frank fostered," Howard recalls, "and in large part because of them, Frank's company was a distinctive place and a special culture to be part of." When you can *honestly* say that about your culture, you've succeeded.   **LE**

ACTION: Assess and adapt your culture.

Leadership Recipe
We refine it at General Mills.

by Kevin D. Wilde

WE AT GENERAL MILLS are excited to be ranked #1 in leadership development (LD) on the 2012 *Leadership Excellence* list. We know the standard for excellence in this field is high. We admire (and learn from) our peers on the list, so the top ranking is extra special. We continue to drive business value through our LD efforts, enhancing the key programs in 2012. Just as a chef returns to the kitchen after serving a great meal, we keep refining the LD recipe. Here I share a few highlights.

Recognition. In addition to the #1 *LE* ranking, we were also selected by *Chief Learning Officer* magazine as the #1 organization for *employee development*—the first time we received the top slot. The application was a rigorous process, it included an in-depth line executive interview and a two-hour presentation to a panel of judges. In fact, LD was a focus in the two-hour judging panel, and we received top marks in this section. One benefit of participating in such a challenging assessment process is the chance to reexamine our efforts and results through the eyes of knowledgeable industry experts. We are the home of the annual Pillsbury Bake-Off, and the Doughboy keeps improving through such competition!

Sharing and learning. During this string of recognition, we've tried to respond to many inquiries for benchmarking and sharing our LD practices. Our LD story has been shared at over two dozen conferences, one-to-one company sessions, and descriptions in industry publications. We also learn from these encounters, much like good neighbors swapping family recipes.

Our neighborhood sharing has also extended into our local community. We sponsor our leaders to serve on non-profit boards and causes. Furthermore, we are providing direct leadership training to a variety of great service organizations. In fact, in the past 12 months, we have conducted four leadership seminars to over 400 nonprofit leaders, free of charge to these leaders who would otherwise not receive such training. They leave well fed with our products and encouraged and enlightened by our leadership training.

Sustaining and expanding. Our *Great Manager* initiative continues to gain momentum as we challenge all leaders to reach for a higher performance and impact with their direct employee teams. As part of our commitment to be a *Company of Champions* when it comes to great managers, we track the results of our efforts through an annual employee survey and the trend of improvement continues. In studying the managers who have moved from *good* to *great*, we uncovered that *coaching* was the major improvement. Over time our leaders became better managers of their employees primarily by extending their coaching. So, we've launched a series of *Great Manager Coaching* training programs globally and have trained over 1,000 leaders.

We find that *managers rated the lowest* fail to skillfully apply the basics of performance management; we're now addressing this gap with targeted training.

We're building on the success of our *Great Manager* program with research, best practice insights, continuous training at all levels worldwide. It is gratifying to see our senior line leaders continue to prioritize *Great Manager* as one of their top business strategies in 2012 and beyond.

While the notion of better coaching and skillful application of leadership basics might seem bland, the discipline of measurement, insight and meaningful action has become our cookbook.

A new leadership finding. Something new is cooking in our leadership kitchen. We recently completed internal leadership effectiveness studies as we look for new ways to support our business growth and innovation strategies. We found an interesting leadership quality that aligns with growth and innovation—*bold, effective leadership*. A subset of leadership behaviors have been validated through internal (and external) 360 studies to align with exceptional leadership. This extends the *Great Manager* concept. We are now rolling out pilot communication and training regarding *bold growth leadership* and expect to see results in 2013.   **LE**

ACTION: Refine your LD recipe and program.

Leadership Think

Imagine the unimaginable.

by Michael M. Reuter and John H. Shannon

POET RITA DOVE TELLS US: "YOU HAVE to imagine it possible before you can see something. You can have the evidence right in front of you, but if you can't imagine something that has never existed before, it's impossible." Conventional wisdom is that the failure on 9/11 was one of security when, in fact, it was a failure of imagination. As the 9/11 Commission Report states: "What happened on 9/11 was not a failure in the system. Nobody could have imagined that hijackers would intentionally crash. Hijackers usually want to live." The learning here is that if we can't imagine it, we can't plan for it and we cannot do anything about it.

One big opportunity and challenge in Leadership Development (LD) today is helping individuals to learn to *think like leaders*. The mindset of a singular focus on problems and issues is limiting. Thinking only in terms of short-term results and ignoring the broader impact of connections and relationships can limit success. Leaders must adopt a mindset of *thinking and seeing the unimaginable* so that they can plan for it. That's the challenge—to build *Leadership Think*.

What Do You See?

This expectation of *Leadership Think* in leaders is captured in a story that a friend shared about a leadership learning exercise he did with new members of his executive team. He would invite them to his office and, taking them to a window facing a mountain, ask them *what they saw*. They would typically enumerate what they saw and describe the mountain. He would then ask: *What do you see behind the mountain?* Frustrated, they would say, *We can't see behind the mountain.*

He would look at each of them and say: "You are not a leader. If you were a leader, you could see behind the mountain." This was a moment of both great teaching and great learning.

He explained that, as leaders, they would face great challenges (*mountains*) in their careers and would need to see beyond the mountain, and then take people on a journey to that place. It would inspire and motivate others to follow them, and achieve what they once could not see and thought impossible.

Leadership Think is having the skills and talent to think strategically— to understand the implications of new ideas, recognize trends and explore their implications in a broader cultural construct, and identify potential opportunities that arise as a result of these trends. Leaders understand the critical importance of being well-informed citizens of the world—keeping abreast of events and news—to build a global strategic mindset and understand the conceptual potential of technology.

This approach to LD strengthens, develops and refines critical thinking, analytical skills and talents. It focuses on looking at issues and events more holistically, seeking to understand their implications and connections to each other while finding relationships in sometimes seemingly unrelated topics. The robust development of these attributes heightens leaders' capacity to identify patterns and trends. It enables them to look at the world through different lenses, to see new possibilities and tap into the *rich diversity of thought* and perspective around them. Leaders emerge saying: "We are change!"

One approach to developing these attributes is the ideas and trends process. Unlike *visioning*, which results in a sought-after state, the end result of this process is an *imagined reality* of what could be. The process starts with a current reality. The leader then asks questions, and as the answers develop, connections and relationships become apparent. When examining the connections between seemingly unrelated interests, it's possible to develop the map of relationships that enrich decision-making. From this iterative process emerges a picture of what can be, formerly unimagined. While not a reality, yet, it provides a framework for planning for what can be, either as a real possibility or a risk-aversion scenario (*if we can't imagine it, we can't plan for it*).

Answers to the future are not found in a book. Great leaders look for connections inspired by disparate inputs. They explore the implications of those connections and contemplate the *what if, what could be*—the *unimagined*. These implications expand the frame within which they consider alternatives. They anticipate and then plan accordingly.

Steve Jobs, in his 2005 Stanford Commencement Address, remarked: *"You can't connect the dots looking forward; you can only connect them looking backwards. So you have to trust that the dots will somehow connect in your future. You have to trust in something—your gut, destiny, life, and karma, whatever. Because believing that the dots will connect down the road will give you the confidence to follow your heart even when it leads you off the well-worn path; and that will make all the difference."* However, while history provides the reality for *making sense* of what happened and a framework for planning based on those lessons, we're confident that Mr. Jobs, of all people, would joyfully embrace the path of *imagining the unimagined*. Who imagined the iPod? It is the stuff of great leadership.

This *connecting of the dots* provides a magical framework of the future—*what can be*. The lessons have to do with connections, implications, and impacts. In this connecting, great leaders begin to see what they did not see before. Even relationships that are outside of their field of vision provide new insights on how to address issues and concerns. This mind-expanding exercise prompts leaders to *start looking inside*, not outside.

Sun Tzu, Chinese military strategist, wrote: "Can you imagine what I would do if I could do *all I can*?" If he were alive today, he might change his words to: "Can you imagine what I would do if I could do *all that I imagine*?" Let us remind great leaders of the words of Thomas Edison as they push the limits of their imagination: "We don't know a *millionth of one percent* about anything."

The challenge for great leaders is to *see beyond* the mountains around them. They may need to see through different lenses; or step back or sideways to see it from a new perspective. Maybe they'll discover that the mountain is but a pile of rocks, and then remember the words of Antoine Saint-Exupery: "*A rock pile ceases to be a rock pile the moment a single man contemplates it, bearing within him the image of a cathedral.*"

Great leadership requires great imagination—the talent and ability to see what no one else has yet seen. **LE**

Michael M Reuter is Director of the Center for Leadership Development at Seton Hall University. Visit www.shu.edu.

ACTION: Exercise your imagination.

Systemic LD

Take theory to application.

by Karen Kichline Ruef

THE THEORY OF DEVELoping leaders is easy; the *application* of the theory is hard. The demand for short-term results, inconsistency in applying processes and frameworks, and the reality of people's aspirations, personal situations and preferences combine to undermine a systemic approach to developing leaders. Yet organizations that want to feed growth with an internal pipeline of leaders need to create a standard approach that remains consistent over time.

A systemic leadership development framework contains six building blocks:

1. Project the demand for leaders in the foreseeable future. This can be as simple as *forecasting changes in the base leadership population* based on turnover rates, or as complex as showing patterns of entrances and exits from various sources at different levels, geographies, and functional areas. Analysis helps leaders see the need for a *future leaders' pipeline*.

2. Inventory current talent. Once the analysis is done and the demand for future leaders established, you'll see the gap between the *demand* and *current talent available*.

3. Define the behaviors, skills and experiences that leaders will need to meet future demands. To develop leaders, adopt or develop a model that defines *skills, behaviors,* and *experiences* (not so heavy on *values* and *traits*). Having a clear *model* provides a *roadmap* for LD.

ADP's *Leadership Expectations* framework defines leadership behaviors in three areas: *Business Leadership, People Leadership*, and *Market Leadership*. The components—such as *Results Accountability, Building Talent* and *Client Focus*—are defined at a behavioral level for Individual Contributors, First Line Leaders, Leader of Leaders and Senior Leaders. The *Leadership Expectations* act as a roadmap for developing leaders and make explicit ADP's expectation that leaders are accountable for and skilled at developing people.
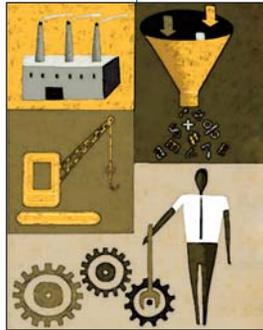
4. Assess current leaders against those expectations, identify skill gaps, and create development plans. But how then are the gaps closed? Our LD model is based on research about how leaders develop—70 percent of learning comes from experience, 20 percent from other people or relationships, and 10 percent from classes or programs. Yet in many organizations, *educational programs* continue to be the main focus of LD. Organizations often struggle to make the *experience* component of the model work except perhaps for a few executives whose assignments are carefully engineered. Every *open position* is a potential opportunity to develop a leader, yet because *staffing/recruiting* and *development/learning* are separate functions, a direct link between *staffing decisions* and *developing leaders* is missing.

5. Have a framework for developing talent. ADP uses *Leadership Expectations* architecture to bridge this critical gap. An outcome of succession planning is a group of high potential leaders targeted for new roles within 12 months. For its 550 leadership roles, candidate slates are reviewed by the senior HR leaders and CEO and his direct reports each month. Matching assignments with the company's ready–to-move talent is a priority. Key development roles, such as GMs and expatriate assignments, are earmarked for developing high potentials. This prevents hiring managers from making expedient or short-term decisions at the expense of a longer-term view of developing leaders.

The company also supports transitions into new roles with internally facilitated *New Leader Assimilations*, external executive coaches, and mentors—all in the 20 percent of *learning through relationships*. Another aspect of the 20 percent is encouraging leaders to take active leadership roles in external organizations, and act as mentors.

6. Measure success. 360-degree feedback is woven through all development activities, enabling leaders to receive feedback, and reflect on their strengths and opportunities to be a better leader. All of these activities are aligned to the *Leadership Expectations* model, ensuring the development of the skills and behaviors needed for future growth.

There's a logical sequence for implementing these building blocks: first take stock of what the organization is doing, identify and fill in the gaps, then ensure that the LD architecture is aligned.

Educational Programs

Programmatic development—the 10 percent of the model—plays a critical role at key points in leaders' careers (when leaders move to a new level of leadership, manage people for the first time or move into an executive role with expectations around strategy development, long-term planning and cross-enterprise collaboration).

ADP's LD Curriculum includes programs targeted at each leadership level. Guiding principles include: 1) Delivering content that is differentiated and relevant to leaders at their level ; 2) Providing tools and context for leaders making transitions to more complex roles; 3) Enabling on-the-job application of experiential learning through a blended learning approach.

To support these principles, the *ADP Leadership Expectations* establishes a common lexicon that defines key leadership behaviors and mindsets required at ADP. A key learning occurs when relationships with seasoned leaders are leveraged as part of an *interconnected Leadership Curriculum*.

ADP also uses formal programs to prepare high potentials for senior roles. Through simulations, senior executive interaction and action learning focused on business problems, participants acquire hands-on experience running a fiscally sound and profitable business, building growth opportunities, appreciating the connection between market dynamics, business strategy and decision making as well as demonstrating personal leadership and collaboration in achieving goals. ADP's LD architecture weaves all elements of learning—*experience, relationships* and *training*—into our leaders' development plans.

Senior leaders must be engaged in all areas of LD. Forcing the right development moves, personally engaging with and mentoring high potential talent, and giving people constructive feedback signal that developing leaders for the future is valued at the leader level. Leaders need time to hone their assessment and calibration skills, and high-potentials need time in job to benefit from their experiences. Finally, there is a tipping point when developing leaders move into senior roles, and replicate actions that benefited them. Even then, maintain rigor and consistency (a well-architected system can quickly deteriorate). The price of *strong LD* is *vigilance* in executing the LD process. **LE**

Karen Kichline Ruef is VP of Learning and Talent Management for ADP. Visit www.ADP.com or call 508-573-9109.

ACTION: Create a systemic LD framework.

What Great Leaders Do

Do or die: Best practices or career killers.

by Roxana Hewertson

ARE YOU A GREAT leader or an *At Risk* failing leader? How do you know? What would your people say? What would your boss say?

While assessing how you're doing, focus on your attitudes and behaviors. These are the biggest differentiators between great leaders and failing leaders since they demonstrate the four core emotional intelligence metrics: *Self-Awareness*, *Self-Management*, *Social Awareness*, and *Relationship Management*. These factors correlate with attitudes and behaviors that work for you or against those in a leadership role.

Five Things Great Leaders Do

Here are five winning behaviors and attitudes of leaders who succeed.

1. Read/understand your emotions and recognize the impact on self and others. By developing your emotional self-awareness and aptly managing, your emotional responses to situations —and ways you impact others—your other skills and talents are magnified and leveraged. Learn what pushes your buttons, where your passions lie, how to manage yourself and others in times of emotion, crisis, conflict, and when backs are to the wall. Great leaders know their impact on others matters regardless of intent. They seek feedback to recover gracefully when their impact and intent are not in synch.

2. Know your strengths and limits. The best leaders understand *they can never know and do everything*—and don't pretend that they do. Instead, they recognize what they are really good at and leverage those skills, spending time doing what they do best and continuing to learn in areas where they are not as accomplished. Great leaders surround themselves with people who are smarter and more experienced in areas of their own personal gaps. A great leader will assert, "Great question. I don't know the answer to that, so let's find a super star that does." When you understand what you know, don't know, and how you tick, you can more readily understand how to lead others to their highest poten-tial, honoring their unique needs, motivations, strengths, and challenges.

3. Know and have a good sense of your self-worth and capability. There is a big divide between *confidence* and *arrogance*. Confidence comes from a strong sense of self-worth and self-awareness. Arrogance often comes from fear and a sense of entitlement in others. The best leaders are *confident* in what they know and can do from an objective view, not an assumed view. They test themselves to see what they are capable of, stretching and growing and learning. At the same time, they tend to be grounded, centered, stable people who are calm during a crisis, and solid in modeling their core values, even under pressure. A sure sign of this quality is when others say, "I always know and respect where (s)he stands, even if I disagree."

4. Think and act with optimism—seeing the upside. There are two kinds

of leaders—those who think and act through the lens of *abundance*, and those who think and act through a lens of *scarcity*. Great leaders know the message they send with their current attitude. They go for solutions, new ideas, and silver linings, even in hard times. They may change course, but they never give up. They thoughtfully navigate people to a better place—often to places their people didn't even know or believe possible. The best leaders tell the truth even if the *sky is falling*, and then light the path to a better place. These are the leaders whose people say "I would follow my boss anywhere."

5. See and seize opportunities for contributing to the greater good. Great leaders have low ego needs because of their solid confidence and self-worth. By not wasting time and energy to shine their image, they free up energy and time to create something greater than themselves, often building a lega-cy that contributes to something far more important than their personal agendas. They have an achievement orientation that is laser focused on the greater good. They say, *"Win/Win or no deal."* And, *"How can we use our resources to achieve the greatest good?"* They proactively look for ways to get the best for the most, even sacrificing their personal agenda to achieve a greater solution or result. They believe in a shared vision and seek the best outcome for the most people involved. These are the leaders people talk glowingly about long after they are gone from the job or from life.

Five Things Failing Leaders Do

Here are five behaviors and attitudes of leaders who fail.

1. Discount others' emotions and perspective. Failing leaders just don't pick up on or value other people's signals. Or, if they do, they don't care, all demonstrating a fundamental lack of empathy. This *emotional intelligence* skill relates directly to social awareness. You can't be a good leader without empathy. If you can't walk a mile in someone else's shoes, you will have big blinders on and miss important information, ideas, and perspective. People led by such a person tend to leave soon, since they don't feel trusted, heard, understood, or respected. Such leaders have limited influence and don't inspire others. They're ego driven, often arrogant, and will surely fail while scratching their heads and wondering why.

2. Miss key clues, norms, decision networks and politics. These *leaders* are mostly clueless. They somehow landed a leadership title, likely by accident, circumstance, timing, or favoritism. They have little *emotional intelligence* or self-awareness. They could be fearful or be in denial. More likely, however, they have *organizational blindness.* They just don't pick up the clues when their boss is displeased with them, when the tide is changing, or when people are talking about them behind their backs. They make decisions that are not theirs to make and don't make decisions that are theirs to make. They act more like an individual contributor than a leader. They tell inappropriate jokes, and dance to a drummer no one else is dancing to. They don't get it, don't buy it, or don't know how to play in their sandbox.

3. Blame others for outcomes. Author Jim Collins asserts that great leaders look *in the mirror* when things go wrong and *out the window* applauding others when things go right. In fact, when things go wrong, it *is* about the leader since that's who is responsible for the

culture and team success. Holding people accountable for their performance is important; blaming them for mistakes or failures is a non-starter. The difference between *accountability* and *blame* is the way the issue or problem is dealt with. Asking questions to assess how or where things went wrong allows the leader to *own* the problem for the team, and then candidly discuss the situation and the solutions—without fear. Failing leaders don't ask; *they tell*. They need to make someone wrong to be right. You rarely hear them say, "What can we learn from this?" You will hear them say, "I don't want to EVER hear about this kind of screw up again . . . or else."

4. Avoid dealing with and resolving conflicts. Failing leaders avoid dealing with conflicts, fail to provide constructive feedback, and duck key relationship issues. They think, "If I ignore it, it will go away." Often the conflict grows exponentially until it's a toxic mess. Dysfunctional co-worker relationships and teams can't get the work done well, so their results suffer and the leader eventually fails. Even the *nicest* leader will lose the respect of colleagues, direct reports, and the boss if they can't or won't clean up their messes and sort out problematic issues. The system will start adjusting to this roadblock by doing *workarounds*. Such leaders lose credibility and the respect of co-workers and, eventually, their role.

5. Isolate self and/or team from others. These *lone wolves* may have a tight *in-crowd* of direct reports who believe in them, hear a lot of *yes* from their reports, and see themselves in *us vs. them* shoot-outs. They work best in *silos*, rarely sharing resources or knowledge. They believe *they are in it alone*, that no one understands them, and that any interference will dilute their agenda, work, or image. Failing leaders divide and try to conquer. Winning leaders don't undermine people; instead, they collaborate and synergize, leveraging the brains, talent, and time of other leaders. There are two paths out of this scenario: 1) the failing leader becomes motivated, often by distress, to change their isolationist attitudes, or 2) they return to a non-leadership role where they shine.

Most leaders can learn, develop, and increase their emotional intelligence. It takes assessment, self-motivation, learning, awareness, practice and feedback. **LE**

Roxana Hewertson is President/CEO of the Highland Consulting Group and creator of Leading with Impact: Your Ripple Effect. *Visit www.highlandconsultinggroupinc.com.*

ACTION: Improve your leadership EI.

Avoid Fatigue Traps

Use motivation and innovation.

by Sharon Daniels

FATIGUE KILLS PRODUCTIVITY and engagement; threatens safety, morale and quality; and leaves people feeling drained and disengaged.

Fatigue stems from professional and personal stressors. Some employees balance raising children and taking care of aging parents. Others negotiate part-time jobs. Many employees may be working longer hours and taking on added responsibilities to help their company survive. Others simply may be tired or disengaged by their work environment and assignments.

Nearly 40 percent of U.S. workers suffer from fatigue, limiting their productivity, safety and health. While leaders can't ensure their employees get enough sleep or limit the stressors in their lives, they can provide support and foster an environment that helps employees become more engaged. By knowing the *sources of motivation*, and promoting *internal motivation* through *innovation*, leaders ignite *passion* for work.

Motivation is the key to productivity. When people are excited, challenged and engaged by their work, they can overcome tiredness, stress and other distractions and focus on tasks.

Great leaders unlock motivation—and not purely by *reward and punishment* (this approach only leads to temporary gains, and may rob people of the internal drive to succeed, *intrinsic motivation*). Personal and professional drive is an *intrinsic quality* that comes from satisfying three basic and universal needs:

• *Competence*—people's experience of being effective and mastering their social and physical environment.

• *Relatedness*—People's experience of close, meaningful and mutually supportive connections with key others.

• *Autonomy*—People's sense that their behavior is volitional, performed willingly, and reflectively self-endorsed.

Leaders who provide support for people to experience *competence, relatedness* and *autonomy* create a workforce that enjoys greater well-being, trust, engagement, satisfaction and performance.

The best strategy for creating a culture that supports employee drive and initiative focuses on *innovation*—not only the big, breakthrough ideas that change companies, but also the small, day-to-day actions that increase efficiency, promote creative thinking, and encourage employees to look at their roles in a new way. Owning innovation enables employees to tap into *intrinsic motivation*.

Leaders can promote *motivation* though *innovation* by:

• *Making innovation a strategic priority.* Employees should realize that their jobs extend beyond the assigned tasks to include *creative and strategic thinking*.

• *Soliciting input from employees.* People tend to follow the example of their leaders. Leaders must apply the same focus to innovation that they request of their employees and encourage them to generate and implement new ideas. By seeking employees' ideas and input, employers show respect and trust in employees' intelligence, ideation, and competence.

• *Promoting collaboration.* Everyone's strengths and talents need to be deployed to produce more innovative results. A focus on innovation opens up the lines of communication and collaboration among people of different titles and expertise and helps them see how their skills and actions relate to the success of the innovation efforts of the whole company.

• *Creating a culture that supports innovation.* Innovation occurs in cultures focused on customer satisfaction, constructive questioning, curiosity, and individual initiative. Leaders should strive to *create a culture that encourages employees to share their perspectives, take risks, experiment, develop ideas and innovate improvements*.

• *Aligning systems and processes.* Innovation and *motivation* occur when people set goals and priorities with flexibility to determine how best to achieve them. Leaders must set the mandate for innovation, but then ensure that employees feel ownership in determining ways to achieve these goals.

By enabling employees to satisfy their *intrinsic motivators*, leaders can reap the benefits of a more engaged, happy and committed workforce, while protecting their company from fatigue-related productivity losses. **LE**

Sharon Daniels is CEO of AchieveGlobal, a leader in training and organizational development, Visit. www.achieveglobal.com.

ACTION: Promote motivation through innovation.

Culture Change

How can you best juggle it?

by Chip R. Bell

Leading culture change is like juggling. Keeping several balls in the air requires intense focus, great communication (between hands), spirited effort, and a keen sense of the bigger picture (the *blur of the whole*).

Effective cultural change leadership requires focus, communication, passion, and sense of the whole. As organizations become more complex, the number of balls in the air increases.

The usual leadership requirements for performance accountability, morale management, and regulatory compliance have now been coupled with a host of cultural change initiatives: diversity, service, innovation, continuous improvement, and cost control. Each added *cause* is introduced with a compelling rationale, objective data begging for improvement, and drumbeating criticality. But, each new object to be tossed can be as different as it is uncomfortable, and the shift from simple juggling to complex juggling usually happens with little warm-up time. And, no one seems to remove any old items from the leadership mix!

The Happy Juggler

The secret for finding the joy in leading cultural change parallels the secret of making complicated juggling a work of pride and joy. What works in cultural change leadership is also a reminder that effective cultural change leadership is a performing art.

Delivering intense focus. Great jugglers *concentrate*! They start with a *profound knowledge* of juggling. They understand physics, motion, and timing—and put that knowledge into play with great focus and attentiveness. One cannot juggle when half asleep, working on autopilot, overwhelmed, or fearful. *Focus* combines confidence, knowledge, and concentration with humility and wonderment. Leading cultural change also starts with honing knowledge and concentration—*going to school* on the elements of change, becoming smart about each new *ball* added to cultural change. Being a cultural change leader

requires that you not only gain knowledge, you also share it, become a resource to others, and demonstrate the power of continued learning. Rosebeth Moss Kanter wrote, "Leaders are more powerful role models when they learn than when they teach"

Helping hands talk to each other. Great jugglers have *communicating hands* —hands that *talk* with each other so the right one knows what the left one is going to do. Great leaders do as well. They promote, encourage, and model communication at its best. They tell *all hands* (employees) where they envision the organization going, and they lead by their examples. The power of *walking the talk* has not been overrated!

Leaders also know that change can create resistance. They sense resistance
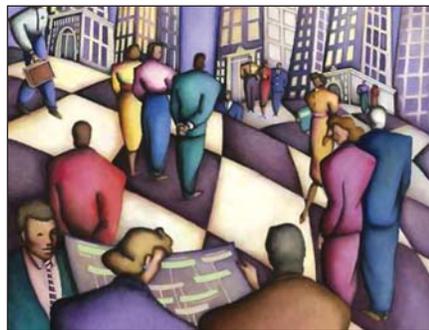
surfacing when they hear employees speaking of the cultural change effort as another *fad* or as something that will pass with time. They sense resistance when they hear employees speak of a lack of resources or being *overwhelmed*. And they sense resistance that comes from *fear of the unknown*. Rumors, myths, and half-truths can fuel the flame of misunderstanding and confusion, thus heating up resistance solely out of fear.

Rarely are change-derailing rumors fueled out of malicious intent. When people are expected to know and do not, they often save face by concocting what they believe the truth to be. And few things derail worthy change like falsehoods fervently believed.

Effective cultural change leadership requires extraordinary communication. The best antidote to the poison of erroneous information is communicating— both in terms of *information disseminated* and *feedback sought*. Leaders help create an honest understanding of the value

of the change—and what the commitment or cost will be. They must clearly and frequently state the vision for the change, repeat the value of the change, and ensure everyone knows the path.

As people get the information they need, they develop a complete perception of the future. These informed pictures are less painful than the anguish they erroneously imagined. *Communication* must take many forms, must be constant and candid. It means leaders talk, circulate, over-communicate, respond with jarring candor, and seek input relentlessly, respectfully, and regularly.

Keeping the performance spirited. Jugglers engage in juggling with *spirited energy*. This passion becomes infectious and can enthrall even the surliest audience. It's hard to be sullen or indifferent while watching a happy artist enjoying the performance of his or her craft.

Leaders keep the performance spirited by showing their enthusiasm and being consistent models. People take their cue as to a change effort's importance by the manner they witness leaders acting consistent with the needed change. Tacit compliance is viewed by employees in two ways: 1) as a signal their commitment is not required, and 2) as a sign the leader is more interested in obedience than courage.

People are leader-watchers. Since they watch every nuance and action, the behaviors and priorities of leaders must be consistent (over time) and congruent with the cultural change effort. When it comes to change, *observation* counts far more than *conversation*. Employees do not watch leaders' mouths—they watch their moves.

Performance is spirited when it is rewarding and affirming. The passion of people who get involved in causes and charities or coach a youth athletic team comes from the *intrinsic reward of altruism*. Great leaders approach their role as a chance to give something special to employees every day. They see their responsibility as a *fortunate opportunity* to support, encourage, nurture and affirm. They laugh when they think about how privileged they are.

Feeling the blur. Great jugglers see the task *as a whole*, not as a sequence of steps or checklist of tasks. They have a keen sense of the whole and *feel the blur*. If they look at an object or hand while juggling, they'll drop an apple. They *do* the *process*, but *sense* the *outcome*. They know the process, and their practice can be trusted as they pay attention to the outcome—the *blur of the whole*.

Feeling the blur means keeping sights on the ultimate purpose. For jugglers it

is an expression of mastery that creates memorable moments of joy for the audience. Keeping sight on the *purpose* means using it as a tool for auditing every activity and goal. Great leaders ask, *Will this effort contribute to building a culture that achieves our primary purpose, vision, or aim?* If the answer is suspect, they discard the activity or goal for one more likely to achieve the purpose.

It means integrating parts into a whole so that focusing on the whole yields the needed outcomes. Jugglers integrate diverse objects around their similarities, and plan convenient *handles* for the objects they toss.

One healthcare organization looked for a way for leaders to integrate and lead three cultural change initiatives: diversity, innovation, and service. The system's *Service Vision* offered a convenient handle of "*creating sustained loyalty among the people we serve as we find and provide what matters to each person*." The focus on creating a diverse employee culture was necessary to understand the unique needs of the people served. The focus on creating an innovative culture would drive the creativity necessary to meet the unique needs of each person we served. A true service culture could not exist without an innovative culture. An innovative culture couldn't exist without diversity.

One *handle* that seemed to fit all three components was the cultural changes each ultimately contributes to *creating and sustaining a healing environment*. Diversity requires *judgment-free acceptance and valuing of differences*. Innovation requires a culture that honors *curiosity and a tolerance for experimentation*. Service is valued when it reflects *an understanding and anticipation of the customer's needs and expectations with a commitment to meeting those needs*.

The *italicized words* spell out the components that contribute to a sense of wellness. When a leader zealously pursues a path toward creating, nurturing, and sustaining a healing environment—one that promotes physical, social and emotional wellness for the patient and the employee—the by-product of that leadership effort is a more diverse population, a more innovative environment, and a workforce with a service attitude and behavior. The leadership challenge is to select the whole that is the most compelling, most relevant, and most useful in achieving a successful performance. **LE**

Chip R. Bell is a customer loyalty consultant, keynote speaker and the author of several best-selling books. His new book (with John R. Patterson) is Wired and Dangerous. *www.chipbell.com.*

ACTION: Create a performance culture.

Key Personality Traits
Needed for executive advancement.

by Stu Crandell and Joy Hazucha

OUR NEW *PULSE ON LEADERS RESEARCH* pinpoints personality traits that can both help and hinder advancement through leadership levels, and uncovers stark differences between key traits for business unit leaders and CEOs.

The research finds certain traits that facilitate advancement to the business unit leader level, actually inhibit progression to the CEO level. Business unit leaders score the highest in terms of displaying competitiveness and intimidating others, and the lowest in being considerate. CEOs score highest in being considerate, displaying influence and taking charge, and are the least likely to be intimidating to others.

Leaders who are competitive and intimidating but lack consideration may find success and advance up to a certain point. However, those who progress to the top use influence rather than intimidation to direct in a positive way, and temper their competitiveness. Consequently, leaders may find it difficult to advance to C-suite roles without shedding those previously-rewarded personality traits.

The *leadership ladder* is shaped like a pyramid, with leaders vying for fewer spots as they advance. This can breed competition. However, at the senior executive level, these traits become *derailing behaviors*. So, leaders must let go of these tendencies and emphasize the right positive traits, or they risk eliminating themselves from consideration for these roles.

In comparing leaders at different points in the leadership pipeline, we identified the *top three traits* successful leaders must emphasize as they progress in their career, starting as first-level leaders and then as they move up through the roles of mid-level leaders, business unit leaders, senior executives and, ultimately, the CEO:

• *Influence over others,* including regularly selling ideas and, in turn, gaining acceptance and prompting others to help carry out those ideas.

• *High energy levels* to adequately accommodate the increase in time demands that occurs between ascending levels of leadership.

• *A take-charge approach,* characterized by a more directive style of leadership that entails regularly delegating tasks and imposing action.

While personality traits are largely hard-wired, with proper coaching and focus, organizations can help current and future leaders accelerate positive behaviors. Conversely, *leaders must let go of four traits* as they move up the leadership ladder:

• *Passive aggressiveness,* which leaders can steer clear of by being direct about what they think, rather than going along to avoid conflict.

• *Micro-management,* which leaders should avoid by focusing on managing outcomes, not details along the way.

• *Manipulation,* which is a tactic for trying to get others to take action by using a hidden agenda. Instead seek to lead by influence and be transparent about your goals.

• *Attention to detail,* a trait that should decrease as leaders gain a broader scope of responsibility and have to think in more strategic terms—which is difficult to do if leaders stay overly focused on details. Instead, leaders should assign others to attend to the details.

By understanding what is involved at each level of leadership, individual leaders can more effectively navigate transitions from one level to another. Organizations can also benefit by adequately developing their talent internally and building their bench strength in preparation for leadership transitions.

Even traits that we largely assume are always good for one's career—like attention to detail—can inhibit effective leadership past a certain point. Understanding those personality nuances can help organizations empower their leaders to know what personality traits are important at each stage of leadership development—starting at first-level leaders and moving to mid-level leaders, business unit leaders, senior executives and, ultimately, CEOs. **LE**

Stu Crandell, Ph.D., is SVP and Joy Hazucha, Ph.D., is SVP of Leadership Research at PDI Ninth House, a global leadership solutions company. Call 1.612.339.0927 (in the U.S. 1.800.633.4410) or visit www.pdinh.com.

ACTION: Cultivate the top three traits.

Pause to Lead

Innovation is the new leadership.

by Kevin Cashman

EVEN BEFORE STEVE Jobs passed away in October 2011, *innovation* was *the hot topic*. Jobs and Apple, the iPad, iPhone, iTunes, Apple Retail Stores, as well as Pixar and Disney—anything he touched—became the iconic embodiment of innovation.

We could say that *innovation has become the new leadership*. Jobs's resignation as CEO of Apple and his death soon after, provoked a global mournfulness for his loss and a global conversation about how to be innovative, how to *think like Steve*. Leaders yearn to know how to imbue their cultures with the spirit of innovation evident at Apple, Google, P&G, and other innovating entities. Leaders aspire to join Jobs in "*making a dent in the universe*" in their own unique way. They want to know how to cultivate new ideas, and how to foster cultures that take new ideas and turn them into innovations that transform people's lives.

Too often, organizations see product and service innovations as threats, not opportunities. In *The Innovator's Dilemma*, Clayton Christensen advises pausing for deep inquiry and relentless questioning to release our capacity to capitalize on disruptions and proactively explore their possibilities. *Pausing for questioning* generates learning, experimentation and innovation. We challenge accepted thinking by moving from *what is* to *what might be*. Persistent inquiry catalyzes synthesis, and reflection provides the space into which new ideas and innovations emerge. Pausing is a way to proactively navigate toward openings, and turn uncertainty and volatility to advantage. *If innovation is the new leadership, then pause is the new, transformative core competency for innovative breakthrough.*

Bringing Clarity to Complexity

In *Beating the Global Odds*, Paul Laudicina, Chairman of the Board of A.T. Kearney writes: "Not surprisingly, people everywhere are feeling disoriented, bewildered, and even paralyzed. From crisis and scandal to the proliferation of product choice and the relentless 24/7 *information smog* of always-on news, email, and social media, we are not feeling smarter and wiser. On the contrary, our ability to think and act decisively with the future in mind has diminished. Imagine having—at last—the entire knowledge of human civilization at your fingertips, and finding it basically gives you a migraine."

Laudicina cites Dr. Thomas Cooper, media analyst, who says: "The only healthy response to *fast media* is a regular *media fast*—a kind of detox for the mind." He reminds us that Steve Jobs "took time out to get in touch with his inner self before going on to set the world on fire." Perhaps the most valuable innovation we can make is the one that is most accessible to us. Pause—step back—to see through the *information smog*, for synthesis and discernment.

As leaders, too often we step forward with action to deal with complexity without first stepping back for the clarity we need. Our impulse to speed up and take action is driven by our intention to achieve, but our go-to approach—action and transaction—is often futile when dealing with increasing chaos and complexity. Our dedication to speed and action can be counter-productive. As the forces of ambiguity intensify, we need to step back to get clear so we can step forward with optimal contribution. Learning to bring clarity to complexity and ambiguity is an essential value-creating competency for leaders today.

Slowing down amid the chaos is no easy task when we are accustomed to being rewarded for speed and action. Once, I took some senior sales leaders of a global telecommunications company on an off-site retreat to deal with complex issues. We designed an array of experiences, including a complex, multi-sport, problem-solving experience. When we were geared up, I briefed everyone on the challenge. Suddenly, some participants jumped on their bikes; others started running in all directions. I asked, "Where are you going?" Someone yelled, "We don't know, but we're going now!"

Eager to solve the problem and get to the goal, we often head off with great intentions and drive, but without a clear direction and understanding of why. Tempering our *drive to achieve* with commensurate *drive to pause* is crucial when facing the toughest challenges.

The following *model* illustrates this essential dynamic:

The Pause Principle Model

One key developmental shift for moving from *management effectiveness* to *leadership excellence* is moving from the transactive and the hyperactive to the transformative by increasing the amount of high-quality pause and reflection, inside and out. If a situation is straightforward and requires action, not reflection, prolonged pause is inappropriate. If we find ourselves in this hypoactive state—dallying too long in *pause*—we need to get out of pause, or hesitation, by telling ourselves, "Just make the best decision you can, and move on!"

The sweet spot of *management effectiveness* and *leadership excellence* is flexing between *transaction* and *transformation*, depending on the degree of complexity.

The Pause Principle Model

The developmental challenges are often in our hyperactive or hypoactive states when we either pause too little or too much.

Management effectiveness involves doing more with greater efficiency and speed; leadership excellence involves doing differently by slowing down to transform complexity to clarity. Manage in low-complexity situations; lead when facing high-complexity environments.
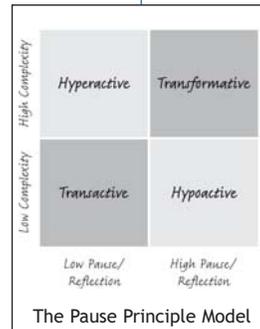
Power of Questions, Language of Pause

Not only is it paradoxical for leaders to pause, to step back rather than take immediate action, it is often paradoxical for leaders to question and challenge themselves. Questioning our choices is perceived as *second-guessing*, and in some cultures, that can be construed as weak. Why question when we have all the answers, right? What might happen if instead of *having all the answers*, we had *all the best questions* to engage in optimal discovery? What might be possible if we built a bank of compelling questions and a practice of using them to probe and learn, and to unleash brilliance? Questioning is perhaps the most powerful pause of all. It is "the art of seeking new possibilities," the language of coaching, the language of innovation and the language of dealing with complexity and crises. Questions force a pause and propel us to a new level of thinking and new possibilities. *Effective managers are trained to have the most accurate answers, while leaders foster the skill to pose the most profound question.* LE

ACTION: Harness the power of pause.

Being the Leader

Observe three imperatives.

by Linda A. Hill and Kent Lineback

THE CORE TASK OF LEADING IS TO INFLU-ence others. Learning to exercise influence requires years of personal development. Most managers fail to master **three imperatives** or **levers of influence:** 1) *manage yourself*—build relationships not on authority but on trust, on people's confidence in your competence and character; 2) *manage your network*—influence those you don't control by building relationships for mutual advantage with those you work with; and 3) *manage your team*—make your people a true team, a group committed to a common purpose and to each other in pursuit of that purpose. Then manage your team as a whole, not as a collection of individuals. Recognize individual needs in the context of the team. Use these *imperatives* to shape all you do as a leader.

Taking on leadership responsibility is life-altering. You might wonder if you have the mettle, courage, and skills for the job. Becoming a leader forces you to confront your beliefs about your work; your interactions with people; and your loyalty to your subordinates, superiors, and company. The process takes years. No shortcuts can circumvent the hard work of learning how to gain and exert influence.

As you develop influence skills, you face *inherent paradoxes*, such as being accountable for other people's work or having to manage both the immediate present and the distant future. You also must cope with the dynamics of generational differences, cultural diversities, and ad hoc work groups. Successful managers sow a *seed of progress* in each interaction and use the *three imperatives* to influence others.

Rank Yourself

On a scale of one to five, rank your current ability in the *three imperatives*:

1. Manage yourself. Know how to use authority, how to set boundaries with people while building caring but professional relationships and trust.

• *I'm the boss!* Abandon the idea that your success depends on exerting *formal authority*. People want an *authentic relationship* with you. If you form such connections, you'll enjoy higher compliance, greater commitment to individual and group goals, and a sturdier willingness to participate in change.

• *I'm your friend!* Neophyte managers mistakenly try to be friends with their direct reports to gain their trust, respect and cooperation. Forming close personal ties can lead to disaster, especially when you must discipline or terminate workers. *Being your employees' boss* and *being their friend* should be mutually exclusive for several reasons: Friendship exists for its own sake, not as a means to an end; bosses and subordinates are not equals, while true friends are; bosses can't befriend all employees equally; and friends don't make each other change their work practices, report on their progress, or be accountable for their goals. A healthy boss-subordinate relationship should be more amiable than antagonistic, with both parties concerned about each other's lives but
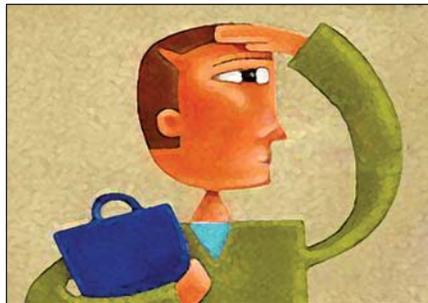
at some distance. An overly friendly connection clouds your perspective.

• *Can people trust you?* Formal authority and *likability* can't help you gain influence—only trust can do that. Trust is the most decisive element of good workplace relationships. Build others' trust in you by focusing on their belief in your *competence as a manager* and in your *character as a person*.

Competence means that you know *what to do* and *how to get it done*. *Character* is rooted in your values and how you practice them daily. Your staff will parse your every word and action to detect what you're made of and whether you consistently do the right thing.

2. Manage your network. To manage your networks, first determine who belongs to them and nurture them. Two realities surprise many new managers: 1) your interdependence with other people for help and cooperation; and 2) the pervasive *political conflict* among competing stakeholders. To resolve both issues, develop and cultivate networks using the following steps:

• *Understand the reality of your organization.* Some managers mistakenly think they work in a bubble. They feel responsible only for their group's productivity, and they interact with other managers and units only when necessary. Eschewing *corporate politics* is a path to managerial failure. Appreciate the value of gaining influence with other groups, their managers, your boss, and others to obtain the best resources and the most support for your team's goals. As the voice of your team, you must smooth out relations with other groups, negotiate on behalf of your team, protect its best interests, and disseminate information about its needs and accomplishments.

• *Weave your own web of influence.* All organizations are *political environments*, and your success depends on creating a sphere of influence.

You already have *contacts*, but you must establish and nurture *networks* that encompass people you depend on and those who depend on you—today and in the future. Form *ongoing partnerships* before you need them. Leverage your networks in four ways: Get and share information, integrate your group within the context of the organization, create mutually beneficial coalitions with people who share common objectives, and gain their help in discerning and assessing the ethical trade-offs among stakeholders. You need three types of networks: an *operational network* to do your team's actual work, a *strategic network* to hone future planning, and a *developmental network* to guide personal growth. Building networks will reveal who among your colleagues trusts you and likes working with you.

• *Don't forget your boss.* Learn to *manage up*. You can benefit from your superior's experience, insights and wisdom, and he or she can support your career growth and help you get the information, resources and support your group needs. A poor relationship with your boss can leave you feeling *stalled* or *derailed*. Embrace *mutual dependence*. Enhance your relationship with your boss by looking for areas that need improvement, including achieving higher trust, fulfilling needs, meeting expectations, communicating your drive for career growth, maximizing strengths, and bolstering limitations.

3. Manage your team. Lead those who work for you by making them into a real team—a group of people who do collective work and are committed to a common, compelling purpose. Most groups never achieve this *mutual dedi-*

cation. Members of a real team focus on *we*, not individuals; believe the team will succeed or fail as a whole, not person by person; and are united by powerful personal bonds based on their common purpose. Effective managers build those bonds. They create a team and manage through it, rather than managing members one-on-one. They exercise this more powerful source of influence by taking these three steps:

• *Define the future.* Instill *purpose* by clarifying where your team is headed. Defining a *vision of the future* based on purpose establishes common goals, fosters commitment, improves focus, deepens perspective about change, and builds trust and influence. Develop and use unwritten and written plans. Your unwritten plan coalesces all you believe about *what you do, where you're going, why you're going there, and how you'll get there*. Your written plan is a more time-specific summary of how those elements relate to the foreseeable future. Include others in your planning activities via social networking and collaborative software tools.

• *Be clear about how your team works.* *Culture* is *the intangible infrastructure that supports productive work*. If you clearly define expectations within the right culture, you create a climate of trust where everyone believes that *each team member is doing the right thing*. Ensure that each person knows each other and how the team is doing. Reinforce group goals within a culture of trusting, positive expectations by saying, "*Do this because the team expects it of you,*" rather than, "*Do this because I'm telling you to do it.*" Encourage group discussion of cultural norms and expectations, provide frequent feedback, and welcome constructive disagreement and conflict.

• *Your team members are individuals, too.* While people long to be part of teams, they also crave appreciation as individuals. Maintain high interaction by being *easily and frequently available*. Openly recognize individual contributions and efforts to be team players. When you engage with people, give them your full, undivided attention. Be honest and forthright so they see they can trust you to keep your word. Get to know them as individuals. Uncover their strengths and shortcomings, and assign tasks that enable them to *flourish*.

Use the *three imperatives* to guide you through unplanned situations, challenges and responsibilities. **LE**

Linda A. Hill teaches business administration at Harvard Business School. Kent Lineback, a former executive, has co-authored or collaborated on more than 12 business books.

ACTION: Master the three imperatives.

Culture of Execution
Empower your organization.

by Mark Bashrum

THE GAP BETWEEN *strategy* and *execution* appears to be widening due to a toxic cocktail of scarcity, demographic shifts and regulatory expansion. Companies must develop people and focus on executing business strategy.

Advancing the organization requires developing new products, finding new markets, and building enabling systems and infrastructure. Keeping execution aligned with strategy to achieve these objectives is a difficult challenge. Today the task is more daunting than ever due to four major challenges.

• *Fragmented resources.* People once responsible for championing programs to implement and sustain process improvement, change management, and project management competencies may no longer be with the firm or are dispersed across a newly reorganized and fragmented organization.

• *Diminishing support structures.* Many support structures meant to reinforce a *culture of execution* have been disbanded or diminished. This has left the development, training, and reinforcement of project management best practices, methods, and systems floundering. Over the past year, project management offices (PMOs) have been reduced in number, size, and influence.

• *Aging workforce.* This means the inevitable loss of critical human capital. It's not just domain knowledge walking out of the door. It also includes the highly skilled and experienced project and program managers. Given the anemic rate of hiring and the reduction in development programs, these competencies aren't likely to be replaced soon.

• *Crippling oversight.* Tough regulatory requirements associated with new legislation are impacting many industries. Healthcare, pharmaceutical, and financial services have seen a barrage of compliance mandates, which divert their best and brightest resources to meet hard deadlines to avoid punitive consequences for non-compliance.

To meet these challenges, those who are responsible for advancing your strategy through new products, markets, and systems must have solid competencies and *be supported by a culture and structure* that drives execution.

Five Essentials to Execute Strategy

1. Start with people. Determine the skills and competencies required to execute effectively and assess how well your people measure up. Pay attention to those project-focused employees responsible for executing key initiatives. These roles include business analysts, project managers, program managers, and key project contributors from the business units. Once a baseline is established, you have a point of reference to measure the effectiveness of your development efforts and can identify the development priorities that are likely to give you the biggest bang for your buck.

2. Establish a base level of competence to ensure that individuals share a common platform from which to build skills. Establishing basic competencies in project-related skills can have an immediate and measurable impact.

3. Create coaching and mentoring programs. Leverage highly skilled resources while you still have them by creating a formal coaching and mentoring program focused on *building the next generation of leadership*. Culture is learned through action. *Communicate your culture* through *the actions* of those who deliver against corporate objectives.

Integrate mentoring programs into your on-boarding efforts so new hires have a coach from day one.

4. Rebuild and re-engage your execution support structure. Structures such as PMOs and business analysis *centers of excellence* help ensure that execution is supported by a culture of discipline and rigor. These structures provide the methodology, systems, and training required to sustain a *culture of execution*. Inventory and assess your support structure and look for ways to enhance and empower these organizations.

5. Focus on the business impact of development. Development only matters if it is relevant and delivers a measurable impact. Continuously monitor progress, so that you can know about a lapse in project execution as it occurs and make *real-time changes* as needed. **LE**

Mark Bashrum is VP, Corporate Marketing and Strategic Intelligence, ESI International, and author of Powerless: Why Businesses Can't Execute. *Visit www.esi-intl.com or email mbashrum@esi-intl.com.*

ACTION: Be great at executing your strategy.

Seven Ways to Fail

Become an unsuccessful executive.

by Howard M. Guttman

IN 2000, THE AVERAGE tenure of a CEO was about 10 years. By 2011, it had declined to 8.4 years, and 40 percent of new executives don't last 18 months in the job. Today's executives stand on a slippery slope, where all the old *management truisms* are up for grabs.

Given the turbulence, it's common for leaders to veer off course and derail. *Only fools learn from their mistakes; wise men learn from the mistakes of others.* In the spirit of learning from others, let's look at seven ways executives fail.

1. Avoid feedback. We once had a client who thought he had a winning formula. For years, his company had grown by double digits. The leader strutted around like an all-knowing Oz. Then the economic tsunami hit. *Fresh thinking was needed, but his team dared not step up.* He would have benefited from input from those near him. But, believing that he was the smartest guy in the room, he refused to solicit their opinions. We eventually decided to *terminate the assignment*, rather than watch this leader become a casualty statistic.

2. Stick to the status quo. In today's environment, sharp turns and S-curves abound. The game keeps changing. It's easy to be seduced by the status quo, especially when a company is superb at what it does. But the corporate landscape is littered with examples of great companies that *stuck to their knitting*. In the new paradigm, *disruptive innovation* is a competitive virtue. Steve Jobs was not stuck in the status quo. Jobs cannibalized iPod sales by creating the iPhone. As he put it, "If we don't cannibalize ourselves, someone else will."

3. Hold onto technical prowess. Most upwardly mobile managers have been rewarded for their superior operational and technical accomplishments, along with the leadership skills to motivate others. But, the higher they climb, the less need they have for these skills and the more important it is to think strategically and to look ahead: to anticipate those S-curves and potential problems, see clearly where the next round of competitive advantage lies, analyze future threats and opportunities—and then act. Those leaders who retreat to their technical comfort zone and remain tactical risk getting swept away.

4. Don't grow a strong, talented, high-performance team. As leaders face the three Cs—ever-growing *change, complexity*, and *competition*—they need to increase their bandwidth. Those that leverage the brainpower of their teams and free up team members to gather strategic customer and market intelligence and then make decisions will have greater staying power.

5. Role-model dysfunctionality. Managers and employees aren't moved by the rhetoric of mission statements and rah-rah pronouncements: *they absorb the values tacitly expressed by the senior team's behavior.* In firms with widespread underground behavior, silo thinking, triangulation, and conflict avoidance, the top team is *the prime offender*.

6. Don't hold people accountable for results. If you let people off the hook and play "let's get along," you create a culture of avoidance and failure. In the high-performance model, the *ladder of accountability* begins at the bottom rung, where individuals are accountable for their performance, then proceeds to individuals being accountable for direct reports, for peers, for their leader's success, and for the success of the organization. At each rung, there is high value placed on *we want to win*. There is built-in accountability, which creates a *culture of success*.

7. Don't bother building strong interpersonal relationships. Today, *soft skills* matter as much as *hard competencies*. Your success hinges on your ability to produce results through people over whom you have no direct authority. It takes *strong interpersonal skills* to do so, and this requires *strong influencing skills*—the ability to turn *your* agenda into *theirs* by *gaining the commitment* of others rather than *forcing compliance*. It takes a great shrewdness or high EQ, to size up key colleagues and determine the best strategy for ensuring success.

Leaders in danger of failing need to engage a *trusted advisor* who asks the tough questions: How was your situation created? What role did you play? What could you have done differently? How will you incorporate *the lessons learned* into a *plan for the future*? **LE**

Howard Guttman is CEO of Guttman Development Strategies, Inc. Visit www.guttmandev.com.

ACTION: Beware of these seven ways to fail.

Diverse Leadership

Start making it happen.

by James W. Gauss

MANY HEALTH CARE organizations fall short of their goals of attracting and retaining diverse leaders. Most leaders strongly embrace the business value of diverse leadership, pointing to benefits such as improved patient satisfaction, successful decision-making, reaching strategic goals, improved clinical outcomes, and a stronger bottom line. Diversity has become a business requisite that delivers a decisive competitive advantage.

Yet board members and C-suite executives struggle to bring diversity goals to fruition, often lagging behind in the number and variety of minority leaders who they hire and retain. To achieve your diversity goals, consider five best practices:

1. Achieve cultural competency. *Cultural competency* is now a pillar of excellence—the measurable benefit delivered by a strategic approach to diversity. This focus broadens diversity goals to embrace all dimensions of culture, gender, race, ethnicity, age, and life experience that leaders bring to their organizations. For example, hospitals seek culturally competent physicians and staff to deliver care to diverse patient populations. One hospital administrator noted, "Cultural competence and diversity drive quality." Similarly, colleges and universities foster cultural competency within their faculty and curricula to speak to the interests of new generations of students. Enterprises of all sizes are critically evaluating how cultural competency impacts and improves their core business.

2. Gain commitment from the board and C-suite. Achieving *cultural competency* requires sustained commitment from the top leaders. Yet minority leaders see a lack of commitment to diversity at the top as a *key barrier to success*, but most leaders see *lack of access to diverse candidates* and *lack of diverse candidates* as the top barriers to success.

Top management and the board need to articulate a clear vision for the role of *cultural competency* in the success of the organization. *Their vision must be shared*—over and over—with employees, shareholders and other audiences

until it is woven into the culture.

3. Embed cultural competency into your strategic plan. For years I have heard board members and CEOs discuss their diversity needs, yet often it is not considered a top priority. As one CEO said: "We have been discussing diversity for decades. We need to pick up the pace and truly understand that there is a major need to recruit diversity candidates as the population shifts."

Organizations that achieve their goals embed diversity into the strategic framework and vision. *Cultural competency* is defined and has measurable goals, and accountability and compensation targets are set to make the goal a reality. One key diversity issue is *organizational readiness*. Juana Slade, AnMed Health, stated: "It doesn't make sense to recruit diverse candidates if an organization lacks a culture that says, '*We seek to create a culture that enables this individual to be successful.*' " The organization needs to *operationalize* cultural competency, not simply salute it.

4. Strengthen the leadership pipeline. Vibrant TM practices enable up-and-coming leaders to grow. As the talent war heats up, more companies must look inside for promising leaders, assess current bench strength, develop talent, and accurately project when leadership changes need to be made. Reach beyond your walls and community to connect with diverse candidates. Network with associations, provide learning opportunities for graduate students, and reach out to experts to attract a new generation of leaders.

5. Make mentoring everyone's job. Mentoring is *the #1 best practice* for advancing minority executives. Yet some organizations *compartmentalize* mentoring as if it is a staff or departmental responsibility. It should be *everyone's* responsibility. Malcolm Forbes notes: "*Diversity* is *the art of thinking independently together.*" Achieving *cultural competency* is an urgent need, given the dramatic demographic shifts, and leaders need to reflect the diverse needs of their customers, employees and communities. When companies *operationalize* their diversity goals, they enjoy success in many dimensions.

Most leaders feel that diversity improves patient satisfaction and supports successful decision making. However, less than 15 percent of them feel that the diversity gap in healthcare leadership is being closed. **LE**

James W. Gauss is Chairman of Board Services, Witt/Kieffer, the leading executive search firm specializing in healthcare and higher education. Visit www.wittkieffer.com.

ACTION: Create a diverse leadership team.

Charismatic Leaders

They are beacons of positivity.

by Bud Haney

HAVE YOU EVER MET A *charismatic* person who has a negative outlook? No! And *you never will*. *Optimism* is a key to being a *charismatic leader*. No one is attracted to someone who makes them feel poorly about themselves or their situation. We don't need anyone's help to feel bad—we can do that on our own! Charismatic leaders impact others with the power of their optimism.

Optimism is not a blind, Polyanna-style refusal to look at the realities of a situation, to ignore harsh realities, or to persist with a doomed course of action. **Optimism is simply being open to the possibilities of positive outcomes in any situation**—however negative they appear to be. Optimism is essential in a leader. To get team members to go that extra mile and *engage with their work*, you must become a model of what they'd like to be.

Optimistic leaders keep moving forward in difficult circumstances, whereas pessimists fail because they do not persevere. They crumble under each stressful situation and never realize or reach their potential.

Six Suggestions

However, similar to charisma, optimism is a mindset that takes practice; it is not instilled at birth. Here are six suggestions to hone your optimism:

1. Work on your self-talk. If you're already optimistic, reinforce that view of yourself through your affirmations. If you are a pessimist, start using positive affirmations in place of negative self-talk. For example, "I am friendly, approachable and genuinely interested in others," and "I make a positive difference in every interaction with my team," are great affirmations to use.

2. Stay focused on your goals. "*Obstacles are those frightful things you see when you take your eyes off your goal.*" Henry Ford's famous quote absolutely nails one of the key elements in maintaining optimism—compelling personal goals. Because they give you a clear direction, goals make

you feel good about the present moment. They counteract a negative explanatory style by focusing your mind on a positive outcome you are continually moving toward. Make sure that you have a compelling set of personal goals, not just goals for your business and team. Doing so assures you that you are continuing to grow, develop and move forward, regardless of what happens to you professionally.

3. Find positive people to spend time with. Seek the most optimistic people you can find—and spend time with them. Mood contagion and observation will reinforce your optimism and allow you to observe the ways in which others bolster their optimism. You'll find yourself adopting their positive attitudes and habits, and you always come away refreshed after drinking someone else's optimistic reserves.

4. Read inspirational literature. Set a goal to become an expert on yourself and your development. Start by reading Seligman's *Learned Optimism*, and look for other books and recordings that take different approaches to helping you become more optimistic.

5. Tune out negative people and sources. You can't completely cut yourself off from all of those pessimistic people in your life. But you can choose to limit your exposure. You can also choose not to empathize with or internalize negative sentiments.

6. Look for opportunity to take action. *Optimists see opportunities in every catastrophe; pessimists see catastrophes in every opportunity*. Dale Carnegie suggests that you acknowledge any setback and consider what *the worst possible outcome* might be. Then, stop and think, "What is the best thing *I can do now* that will have the positive effect of moving me away from that *worst possible outcome*?" Take that action. Don't allow setbacks to paralyze you.

"Leaders are dealers in hope," said Napoleon Bonaparte. You must become a purveyor of optimism, of hope and of a vision of a much better future. Once you imbue your people with optimism, the energy and enthusiasm you want to instill in them for your shared vision becomes easier to ignite in your team members. When you can make people optimistic, energetic, and enthusiastic, you are truly a charismatic leader. **LE**

Bud Haney is CEO and president of Profiles International and co-author with Jim Sirbasku of Leadership Charisma. *Visit www.leadership-charisma.com or www.profilesinternational.com.*

ACTION: Cultivate your optimism as a leader.

Leadership Competence

Human, emotional and spiritual.

by Margot Cairnes

WHEN BILL CLINTON addressed the 2012 Democratic convention he got a bigger TV audience than the Super Bowl. Clinton has been a naughty boy, so why are we interested in what he has to say? *Princess Diana* captured the hearts of millions because of her approachable smile and fallible character. When she died, the world mourned despite the fact that she wasn't *the perfect woman*. Why do we love and want to follow leaders who, on the surface, look *less than competent*?

We have two key parts of our brain:
• *Reptilian brain* responds to fear and has three responses: *freeze* (do nothing, make no decisions), *fight* (attack—openly or covertly) and *flight* (emotionally, spiritually or physically *leave* the scene).
• *Wise-brain*—which contains both our neo-cortex (the executive thinking, strategic part of our brain) and the limbic system (the emotional, relational part of the brain). When the neo-cortex and the limbic system work together—when we can walk our talk, make decisions and enact them—it is called limbic resonance or wise-brain.
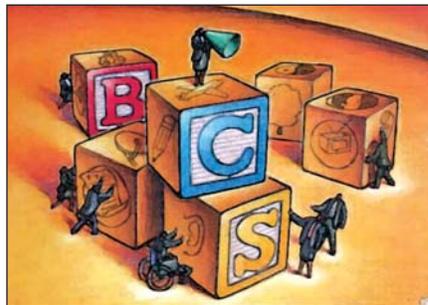
Whether we operate from *reptilian* or *wise brain* depends on the thalamus, a tiny part of the limbic system that analyses all stimuli that we receive. Within a nano-second, the thalamus decides if the stimulus is: *Safe, Authentic,* and *Familiar*. If so, the stimuli are shot up into the wise brain. If not, the thalamus shoots the stimulus down to the reptilian brain. Hence without us realising why, we are shot either into wise brain responses (strategic thinking, healthy emotions and robust relationship) or down into the fear of the reptilian brain (freeze, fight or flight).

Bill Clinton and Princess Diana feel safe and authentic to most of us. Their *human frailty* is well known. They have acknowledged their weaknesses, done their amends and helped humanity. Their wide spread fame makes them very familiar. Many of us feel safe enough to let them into our hearts and our minds and to follow their leads.

The *12-step* programs, such as Alcoholics Anonymous, have a saying: "We make *progress*, not *perfection*." The *12 Steps* is a wonderful model for human, emotional and spiritual competence that encourages members to face their *defects of character*, list the people they've harmed, make amends, and then concentrate on working for the common good. This simple formula has people give up serious addictions and become high functioning members of society.

The demands on leaders today are high. Leaders are expected to deal with levels of change and complexity that are beyond all reasonable expectations. Leaders also have to deal with increasing influence from multiple stakeholders—especially since the advent of social networking. Many stakeholders hold opposing views and all need to be managed. All of this would normally send any leader into reptilian thinking at a time when wise-brain functioning is essential if we are to solve the pre-

senting issues and win the loyalty and followership we need to succeed.

Leaders need simple tools to help them make progress, knowing that they will never be perfect. We used to think good leadership was measuring up to a list of perfect leadership competencies. We now know better.

Good leadership is: knowing *who you are*—strengths and the weaknesses; accepting yourself and others as they are; working to ensure that your weaknesses do not impair your judgment or cause ill to others working to en-hance *the common good*; doing this for its own sake—not to make yourself look good; accepting reality on its own terms and working constructively with others in a complex world to meet challenges and capitalize on opportunities; helping others grow and learn through chaotic situations; staying in wise brain; creating cultures that help others to stay in their wise brains.

Studies of *excellent companies* come up with *success formulas*. When these companies falter, people question the formula. The truth is *excellent companies have outstanding leaders and good luck*. The high tech companies are succeeding because it is their time, and the great ones have exceptional leaders. Remove these leaders or have technology make your business model redundant and your *excellence* disappears.

Why are leaders so important in creating excellence? Today, few organizations offer stakeholders environments that are safe, familiar or authentic. Change is so pervasive that *familiarity is a thing of the past*. Organizational politics and external competition are facts of life and rarely feel safe. While we praise *authenticity*, living with other people's frailty (their *authentic selves*) is not easy and leads to reptilian responses.

If we create a *container*—a space of safety, authenticity and familiarity—we will have a place where people can think, make good decisions and have them enacted, thus circumventing our tendency to retreat into reptilian brain. This is what happens in *12 step programs*. Sponsors and members, in sharing their stories, a *container* is created that enables people to transform their lives.

Good leadership involves creating the organization as a *container*—a *structure*, a series of *relationships* and *ideas* that foster wise-brain response. How to do this?

1. Model wise brain behavior. Be on a growth path with the support of a wise-brain mentor. We simply can't see our own blind spots, and we leaders need a safe place and person where we can debrief, share our humanity, face our mistakes and weaknesses, and make our own decisions about transforming our lives and relationships.

2. Demonstrate wise brain behavior by sharing your humanity and wisdom with others—even when it feels dangerous. Both Clinton and Diana were persecuted for their weaknesses—yet it was through that persecution that they grew spiritually and emotionally and *won our hearts.*

3. Create safe places for others. Create a *culture of mutual support*, growth and learning where diversity is celebrated, championing those who are prepared to think outside the box and demonstrate authenticity in all its forms.

If leaders don't create *containers* that encourage wise brain thinking, the *freeze, fight and flight fear responses* can cripple and kill an organization. Only wise brain thinking is sustainable. **LE**

Margot Cairnes is an international leadership strategist, founder of Zaffyre International, and author of Approaching the Corporate Heart. *Email margot@margotcairnes.com.*

ACTION: Model wise brain behavior.

Vital Teams

Start building your own.

by Liane Davey

WHEN YOU PUT IN-dividuals togeth-er in teams, they can send a man to the moon, crack the genetic code, and build an iPad. They can also turn into a kaleidoscope of dysfunction and become the bane of a workplace. *We need teams to work better*!

Too many team leaders try to fix problems with *team building activities* like drumming or white-water-rafting. That doesn't work. In fact, a too-short or too-shallow team intervention can make your dysfunctional team worse. If the facilitator jumps into grievances and hurt feelings without the proper preparation and context, people leave *more wounded* than when they started.

Instead *of team building*, we need *team effectiveness* (TE). This requires clarity about *what* the team is sup-posed to accomplish and then shared expectations about *how* to achieve it. But the potential payoff is huge.

Fives Steps to a Vital Team

To build a vital, productive team, follow these five steps:

1. Start by creating alignment around the purpose of the team. Don't try to fix some team dynamic, since no one *cor-rect* dynamic can make a team healthy. It depends both on *what the team needs to achieve* and on *the characteristics of individuals on the team*. A team doesn't exist for its own edification—it exists to do a job. Each member must be clear on the *purpose* for the team to be effec-tive. For example, the executive team of a regional hospital was concerned about the conflict they were having. Once we determined that their *mandate* was to commercialize their research programs and take them global, we saw that they would need much *more* conflict to drive innovation and expose risks. Had they chosen to remain a regional hospital, the status quo would have served them well. The right dynamic depends on the *mandate*.

2. Align from the outside in by focusing the team on its core priori-ties—the real reasons it exists. When I help a team get aligned, I start by talk-ing about the outside world. Many

teams are too insular. So I ask teams to brainstorm key trends. What opportu-nities or risks has the rise of social media created for your organization? Have the regulations governing your industry changed? What technological changes affect your industry? We then talk about the strategy. How does your organization fit into this changing world? What do analysts say about you, and your competitors? What are the CEO's top priorities? You need to know what your organization is trying to accomplish so you'll know how your team's work fits in. Then your team can list its unique contributions to the organization's success—explaining how you add value for outside cus-tomers, not just your *inter-nal customers*.

3. Using the list of key contributions, the team should next come up with a mandate—a concise state-ment explaining what the team exists to do. This should not be the aggregate list of team members' objec-tives. Instead, it should be a short list that describes what the team needs to co-create together (the whole is more than the sum of the parts). This statement will help team members stay focused, and help the team communicate with the organization and negotiate priorities and resources. If you can't come up with a focused list of things you need to co-create together, you're not a team!

One *portfolio analysis team* I worked with at an investment firm came up with the following mandate: "By inte-grating diverse information about the economy, market trends, and asset per-formance, we provide guidance to sup-port our investment departments in optimizing the long-term performance of our funds." This mandate became a useful tool when the team talked about how they should be working together.

4. Once a team has its mandate, create a list of imperatives—things the team *must* do and ways team members *must* interact with each other to accomplish their core goals. For example, the part of the portfolio analysis team's mandate that mentioned "integrating diverse in-formation" led to the *imperative* "Arrive at One Answer." The team decided they hadn't integrated information from different sources. To provide a single answer to questions from the investment departments, they needed to operate very differently.

5. Use the team's mandate and imper-atives to define the rules of engagement.

Many teams come up with *ground rules* without first getting aligned, and that's fine, but the list is likely to be generic. There's no harm in committing to *being courteous and respectful*, but a list that's tailored to the work of your team will be more useful. For example, the portfo-lio analysis team's imperative "Arrive at One Answer" suggested the rule "Conflict happens inside the team." To present other departments with a single answer, they realized they'd have to stop sharing dissenting opinions out-side the team since these undermined the team's message, and made it im-possible to deliver on its promise to integrate diverse information. This *ground rule* seemed natural—and fun-damental—to the team once they saw how it would support their chosen mandate.

Once the team is clear on what they must achieve together, the conversation about communication, conflict, and decision-mak-ing no longer seems like *feel-good* stuff. In fact, the *alignment first* method changes team interventions in four ways: 1) rules of engagement shift from being trite statements lifted from framed posters to meaningful promises that flow directly from the business rationale for the team; 2) personality assessments change from labeling and pigeonholing exercises to vital insights into how team members' styles sup-port (or misalign) with the mandate of the team; 3) difficult conversations about the impact of behavior become less personal and more focused on what things will need to look like to achieve the team's purpose; and 4) behavior in team meetings remains healthy because the team has been talk-ing business all along—rather than having to transfer insights from role playing games back to *business as usual*.

This is the best way to build a vital team: Align the group to a common pur-pose, and everything else will follow. If you start by building this framework, conversations about personal relation-ships will be constructive and ground-ed in a shared commitment to getting the job done. A vital team must be strong and healthy as it adds value to an organization, not only when it bangs bongos or climbs cliffs. **LE**

Liane Davey, Ph.D., is VP of Global Solutions and Team Effectiveness and part of the Leadership Solutions practice at Knightsbridge Human Capital. Tel: 416-640-4294, email: ldavey@knightsbridge.ca.

ACTION: Build your own vital teams.
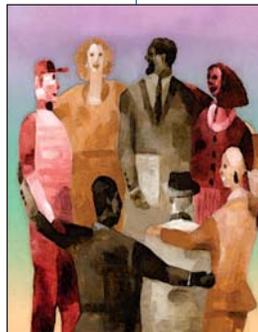
2012 Leadership Excellence Memberships

Leadership Excellence - Digital Edition
Organizational Leadership Development

☐ 1 - Year $99
☐ 2 - Year $179

Recent contributors include: Marshall Goldsmith, Tom Peters, Anne Mulcahy, Warren Bennis, Margaret Wheatley, Patrick Lencioni, Peter Bock, and many others!

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

Personal Excellence - Digital Edition
Personal/Professional/Self-Leadership

☐ 1 - Year $60
☐ 2 - Year $99

Recent contributors include: Wayne Dyer, Andy Andrews, Seth Godin, Dan Goleman, Marianne Williamson, Bob Davies, Tim Sanders, Alan Cohen and many others!

"Personal Excellence is the only reading you'll need to do for continual self-improvement both personally and professionally!"
—SHARLENE HAWKES, FORMER MISS AMERICA, ESPN BROADCASTER

Sales & Service Excellence - Digital Edition
Sales/Service Team Leadership

☐ 1 - Year $60
☐ 2 - Year $99

Recent contributors include: Tom Hopkins, Chip Bell, Ellen McDargh, Zig Ziglar, Kevin and Jackie Freiberg, T. Scott Gross, Brian Tracy, Patricia Fripp, and many others!

"Sales and Service Excellence is a phenomenal resource for sales professionals who want to grow and achieve more in their careers."
—TOM HOPKINS, AMERICA'S #1 SALES TRAINER

New: Online Access

Full Online Access to our 28th Anniversary Instant Consultant & Leadership Development Training Modules

☐ 1 - Year $129

Excellence
PERFORMANCE SYSTEM

2012 Excellence Memberships

☐ **Option A: All 3 Journals (Individual)**
Leadership Excellence Digital (12 issues)
Personal Excellence Digital (12 issues)
Sales & Service Excellence Digital (12 issues)

☐ 1 Yr: $99   ☐ 2 Yr: $179

☐ **Option B: Excellence Advantage (Individual)**
Leadership Excellence Digital (12 issues)
Personal Excellence Digital (12 issues)
Sales & Service Excellence Digital (12 issues)
Unlimited Access - Online Instant Consultant
Leadership Excellence Honors Society Certificate

☐ 1 Yr: $199   ☐ 2 Yr: $359

☐ **Option C: Team Advantage (Group)**
Leadership Excellence Digital (12 issues)
Personal Excellence Digital (12 issues)
Sales & Service Excellence Digital (12 issues)
Unlimited Access - Online Instant Consultant
Leadership Excellence Honors Society Certificate

☐ 1 Yr (3 - 9 Users) $599
☐ 1 Yr (10 -49 Users) $999

Call for more information.

Please Start My Membership!

Please sign me up for the item(s) checked.

Name _____

Company _____

Address _____

_____

_____

Phone _____

Email _____

☐ Visa ☐ MC ☐ Amex ☐ Bill me

_____ exp. _____

Signature _____

Get Started Today!

Fax this form to: 801-377-5960, Call: 1-877-250-1983
Email: Sean.Beck@LeaderExcel.com
Order Online: www.leadership-excellence-store.biz

Call 1-877-250-1983 for multi-user discounts.