

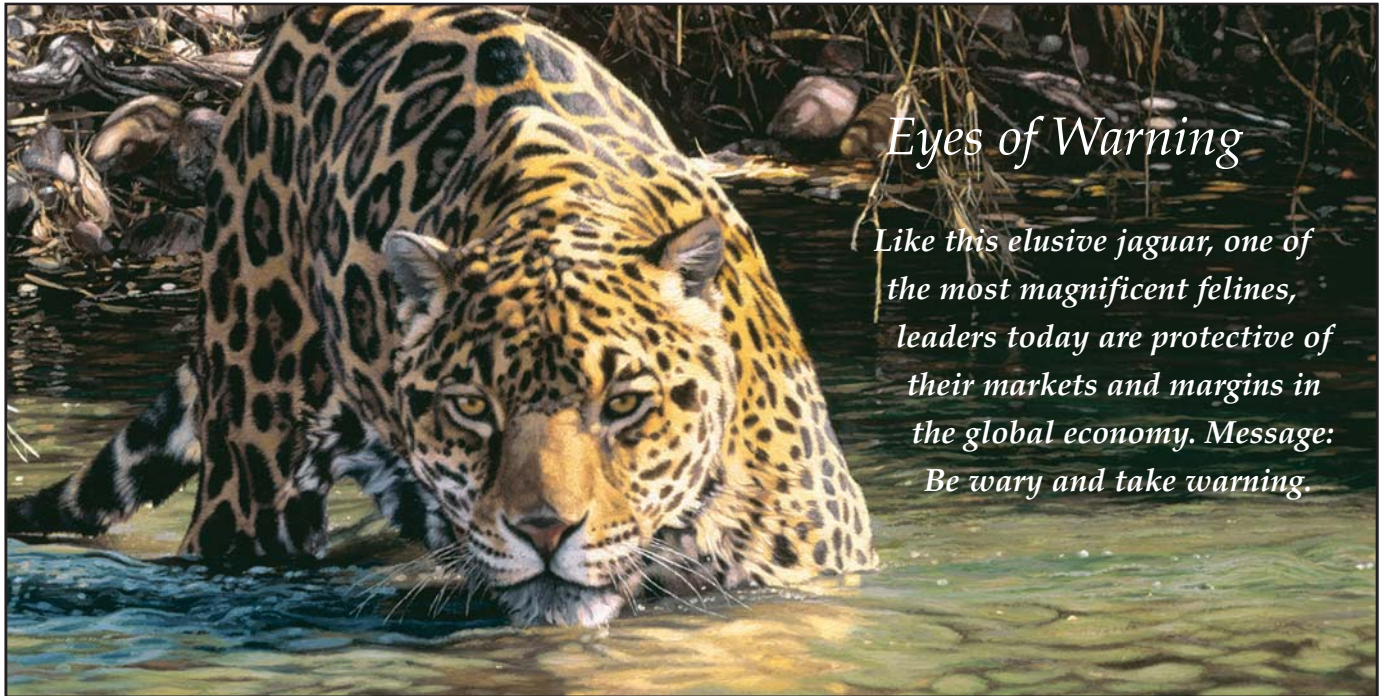
LEADERSHIP Excellence

Warren Bennis 

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

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Eyes of Warning

Like this elusive jaguar, one of the most magnificent felines, leaders today are protective of their markets and margins in the global economy. Message: Be wary and take warning.

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issue an invitation 3

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From Sea to Shining Sea

I go coast to coast for best and worst.



by Ken Shelton

SINCE EDITING THE JANUARY issue of *Leadership Excellence*, my body has been traveling from coast to coast and to several points in between.

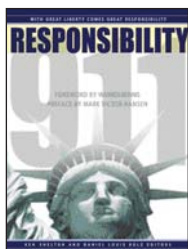
In Southern California, I journeyed from Santa Barbara, where I met with **Jonathan Wygant** to form an alliance with *Leadership Excellence University* (www.leuniversity.com); to Thousand Oaks, where I met with **Michael Winston**, the wise and able Chief Leadership Officer at Countrywide; to San Diego, where I visited with another top leadership development pro **Tamar Elkeles** at Qualcomm, and with leadership coaches **Marilyn McLeod** and **Jeff Wolf** of Wolf Motivation.

Then in Atlanta I enjoyed the *Training* magazine Learning 2008 conference and attended the *Corporate University* leadership development sessions.

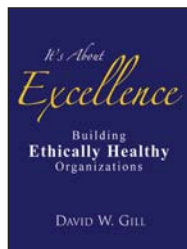
In New York City, I participated in the Soundview *Executive Book Summaries* award for the best business book of 2007, presented to **Marshall Goldsmith** atop his 42nd street Manhattan apartment building.

And in Dallas, I enjoyed the festive kick-off launch of *Success* magazine at the day-long Success Symposium.

This whirlwind tour reminds me of the preface entitled "From Sea to Shining Sea" by **Warren Bennis** to one of our two new books coming out this month, *Responsibility 911*. Bennis, along with 52 other contributors, calls on leaders to model an ethic of responsibility. Our other new book, *It's About Excellence* by David Gill, is also a clarification call for ethical accountability.



Bolz and Shelton



David Gill

Excellence in E-Learning

For six years, we've wanted to partner with a company that could create a better learning experience for online training. We

searched the globe, and ironically found a great fit next door to us in Proton Communications and their Learning Management System (LMS), branded *ProLearn*, an innovative LMS that allows users of any skill level to easily present and manage content online while tracking learner progress. *ProLearn* is designed to be easily integrated into training programs as a blended solution or as a primary source for online training, education, and certification.



Franklin Lewis



Vernon Stout

Company co-founders **Franklin Lewis** and **Vernon Stout** are working with us at *Leadership Excellence* to provide our leadership development content in an e-learning format. Articles will be designed as online courses with audio, text, illustration, interaction, and tests. Learners can then choose from among many available leadership topics and receive current content from top thought leaders on these subjects, giving you an exciting new leadership development option. To sample an early learning module, visit www.protonc.com/eep/chapter/viewer.htm.

Leadership Best Practices

On November 14, we are co-sponsoring the *Best Practices in Leadership Development* Conference in Washington, D.C. Our partner, **Dr. Johnson Edosomwan** is engaging the services of **Keith McKinnon** to attract sponsorships, presenters and participants.

Best and Worst Leaders

In the May issue of *Leadership Excellence*, our 25th anniversary issue, we will run a list of *Best and Worst Leaders* (of any organization). I welcome your nominations. Simply email me at KenS@eep.com. This is in keeping with our publishing mission to recognize the best leaders and hopefully drive the worst leaders out of office. LE

Ken Shelton
Editor since 1984

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Full view of table of contents art.

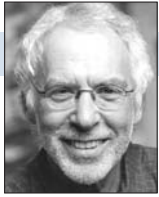


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Invitation Leadership

Come here to create a better future.



by Peter Block

POWERFUL IDEAS AND conversations are useful in developing leaders, but without relationship, connection or community, they're not rooted or grounded. My work is about changing our thinking, building community, and creating *alternative futures*.

Changing the nature of assembly is one way to create an alternative future. Most people meet in rooms that are hostile to community. The walls are blank, with no windows or artwork, rendering nature obsolete. How can you bring people together and inhabit a space in a way that brings life into the room? It's one thing to sit in a chair; it's another to choose to occupy it and ask, "How can I best respond in this situation?" instead of wishing, demanding, or hoping for something else. For us to occupy a room, we have to get connected to each other—not just to the speaker or leader. If the leader is talking about equality while standing four feet above us, when we leave, we'll say, "The best part of the meeting was the conversation we had between presentations." Conferences are meaningful conversations interrupted by lectures.

Most meeting rooms are organized for patriarchy, presentation, display, order, efficiency, amplification of one person to other people listening. To create a room for occupation and habitation, you might arrange the seating in a circle with chairs having swivel wheels, suggesting "We came here to move around, not to stay in one place emotionally, spiritually, intellectually." The way we assemble impacts who we become. The spirit of servant-leadership values surrender; it says that the cause and orientation is not just at the top.

The leadership invitation is this: *You come here by choice to help us create an alternative future distinct from the past.* The only way the future gets created in a distinct way is through invitation. Somebody decides to show up

and exercise choice. And so the idea of bringing people together is to have every moment a choiceful moment.

You do this by confronting people with their freedom through invitation. I'd rather have two people in the room who choose to be there than 1,000 who are sent. Most people are sent. When I ask people, "Are you here by choice?" they sit there, arms crossed, leaning back, thinking, "This too shall pass."

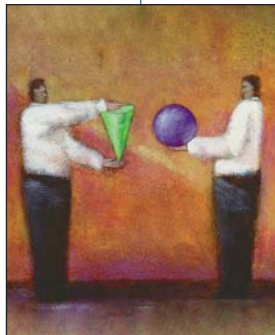
Then I ask, "How many of you were sent here?" and they all raise their hand emphatically (and I wonder why they're so enthusiastic about their servitude). "I was sent, and I'm proud of it. God forbid I should have chosen my life in any small fashion, like coming to this meeting on my own."

What constitutes a powerful invitation? It's one that says, "Please come, and if you come here's what's required of you." Most invitations are too soft; in fact, there are elements of begging: "Please come; it'll be great; nothing much will be required of you; it won't take long; it'll be organized; there'll be food and drink; the seats will be comfortable; and you can come late, leave early, or whatever."

A powerful invitation says, "We want you to come, and if you choose to come, here's what will be expected of you. You'll have to show up on time every day. You'll have to engage with your peers in powerful conversations. You'll have to leave your self-interest at the door. We

don't come together to negotiate. The alternative future is not created through negotiation, but through imagination—from a dream or possibility. You come to engage with other citizens. If you'll live by these requirements, please come."

Such an invitation gives you traction with people. When you're developing leaders, you need traction or leverage. The idea of invitation is powerful, but the experience is hard to create. As I age, I only want to be in rooms where people come by invitation, even if it's just three of us. Of course, when you lead by invitation, you live with the anxiety that nobody will show up. You need to put great emphasis on the



nature of the invitation. Connectedness creates the listening and learning. All key learning is social. People don't learn much on their own. They can acquire information, but any learning that is life-changing or mind-changing happens in community.

The choreography of assembly matters, and yet we treat it as an afterthought; mostly we talk about content. When we plan a meeting, we think, "What do we want to say?" Most meetings are organized around problem-solving. But if we want an alternative future, one that is distinct from the past, problem-solving can't get us there. Yet in this culture we're not allowed to leave a meeting without a to-do list.

The way we assemble people has more power than anything we say to them. If I seek reform, I have to renegotiate the social contract by paying careful attention to the nature of assembly.

Ask yourself: What transformation did you come here to lead? You have to take seriously the fact that you are here; you can't just sit in the seat and be someplace else. You have to occupy this seat; otherwise, you can't fulfill your responsibility and find meaning.

The servant leader confronts people with their freedom, and to me that's an act of love. The act of love is to lead in a way that says *choice resides in all of us*. What greater gift can you give somebody than the experience of their own power—the experience that they have the capacity to create the world?

The act of creating an alternative future is to say: "I'm responsible for the world I'm in; I've helped create this place." Most of our public conversation is about blame, about finding fault. We don't care what happened—we want to know whose fault it was. And so the conversation is about retribution.

The way to change the nature of the conversation is to confront people with the fact they have choice. Some people may say, "I want to honor the past and be determined by the past. I choose not to create an alternative future." My rebuttle is: "That's fine, but then why are you here? Find another place to work. We want to be in a place where the future is waiting to be created."

Every time you leave the past and venture out to create an alternative future, you encounter empty space. The reason most people choose safety is that empty space and silence frightens them. So, they stay busy and have their cell phone wired to their body.

As a servant-leader, you allow people to experience the act of creating something on their own. You must tol-

erate the anxiety that comes with that empty space. Every time I advocate servant-leadership, people want me to define it. They want to find safety, even in the midst of adventure. You say, "I'm here to serve you," and they ask, "What do you mean by that? What is your role, and what is my role? What's expected of me? What do you have in mind for me?" My answer is to say, "I have nothing in mind for you."

Now people feel abandoned. They want you to have a plan; they want their Mommy, Mentor, Daddy, or Leader. For most people, leadership is all about an escape from freedom of choice. "That's not what I came here for. I came for safety, for comfort, for *leadership*. I came here for a predictable future. I want you to take the uncertainty out of my future."

In some ways, servant leaders pull these supports out from under people by confronting people with their freedom and getting them connected to each other through powerful questions. No matter how they answer them, they are still responsible for creating the future. You create questions so people choose accountability. You can't legislate accountability. You can do performance management, set rules, and define boundaries and consequences. But these forms of patriarchy have no power to create an alternative future.

The leadership question is, "How do I engage people so they choose to be accountable?" Change the conversation, and you change the future. When people ask for direction, you say, "I don't know; I came here to be surprised." The act of love is to confront people with their freedom through the conversations they have with each other. Most organizations and communities are parent-child, boss-subordinate, mayor-citizen conversations. We put an unbearable burden on leaders and bosses. We make them the cause of everything. We think bosses are responsible for the emotional well-being of their subordinates. If they have a depressed, low-morale team, it's their fault! What would it be like to be where individuals are responsible for their emotional well-being, we don't pretend that the boss is cause and subordinate is effect, and we don't think that the subordinates are waiting every day for somebody to come in and *light their fire*. We need to see leaders as servants, conveners, and social architects. LE

Peter Block's work is about empowerment, stewardship, chosen accountability, and community. Email Peterblock@aol.com or call Designed Learning, a consulting firm, 908-889-0300.

ACTION: Confront people with their freedom.

Shared Vision

You build it using five skills.



by Peter Senge

NEW LEADERSHIP roles require new leadership disciplines.

Three of the most critical disciplines are building shared vision, surfacing and challenging mental models, and engaging in systems thinking. These disciplines can only be developed through a lifelong commitment. And in learning organizations, these disciplines must be distributed widely because they embody the principles and practices of effective leadership.

How do individual visions become shared visions? A useful metaphor is the hologram, the three-dimensional image created by interacting light sources. If you cut a photograph in half, each half shows only part of the whole image. But if you divide a hologram, each part, no matter how small, shows the whole image intact.

Likewise, when a group of people come to share a vision, each person sees an individual picture of the organization at its best. Each share responsibility for the whole, not just for one piece. But the component pieces of the holograms are not identical. Each represents the whole image from a different point of view. It's something like poking holes in a window shade; each hole offers a unique angle for viewing the whole image. So, too, is each individual's vision unique.

When you add up the pieces of a hologram, the image becomes more intense, more lifelike. When more people share a vision, the vision becomes a mental reality that people can truly imagine achieving. They now have partners, co-creators; the vision no longer rests on their shoulders alone. Early on, people may say it is "my vision." But, as the shared vision develops, it becomes "our vision."

Five Useful Skills

Building shared vision involves these five skills:

- **Encouraging personal vision.** Shared visions emerge from personal visions. It

is not that people only care about their own self-interest; in fact, people's values usually include dimensions that concern family, organization, community, and even the world. Rather, it is that people's capacity for caring is personal.

- **Communicating and asking for support.** Leaders must share their own vision continually, rather than being the official representative of the corporate vision. They also must ask, "Is this vision worthy of your commitment?" This is hard for people used to setting goals and presuming compliance.

- **Visioning as an ongoing process.** Today, too many managers want to dispense with the "vision business" by writing the Official Vision Statement. Such statements almost always lack the vitality, freshness, and excitement of a genuine vision that comes from people asking, "What do we really want to achieve?"

- **Blending extrinsic and intrinsic visions.** Many energizing visions are extrinsic, focusing on achieving something relative to a competitor. But a goal that is limited to defeating an opponent can, once the vision is achieved, easily become a defensive posture. In contrast, intrinsic goals—such as creating a new product, taking an old product to a new level, or setting a new standard for customer satisfaction—



elicit more creativity and innovation. Intrinsic and extrinsic visions need to coexist; a vision solely predicated on defeating an adversary will eventually weaken an organization.

- **Distinguishing positive from negative visions.** Many organizations only pull together when their survival is threatened. Similarly, most social movements aim at eliminating what people don't want; thus, we see anti-drugs, anti-smoking, or anti-nuclear arms movements. Negative visions tend to be short-term and carry a message of powerlessness.

- **Two sources of energy motivate organizations: fear and aspiration.** Fear, the energy source behind negative visions, can produce extraordinary changes in short periods, but aspiration endures as a source of learning and growth over time. LE

Peter M. Senge is a Lecturer at MIT Sloan School of Management, founding chair of SoL, author of The Fifth Discipline and coauthor of Presence: Human Purpose and the Field of the Future. Email presence@solonline.org or for booking Peter Senge as a speaker contact www.bigspeak.com.

ACTION: Inspire aspiration energy.

Leader-Centrism

“It’s the followers, stupid!”



by Barbara Kellerman

THOSE OF US IN THE leadership field have become relentlessly, overwhelmingly leader-centric. We pay homage to the leader-follower relationship and lip service to the importance of followers, but leaders dominate the discourse, while followers are marginalized. Of course, none of us acknowledge dismissing followers while elevating leaders. But our attention is focused, laser-like, on those at or near the top—not on those in the middle or at the bottom.

Leadership experts are not the only ones with this bias. In fact, it is part of the human condition (and animal life). Pecking orders are ubiquitous, as is the proclivity of those up and down the ladder to fixate on those higher up at the expense of those lower down. For example, wolves have clear hierarchies. A single alpha male dominates, while other wolves submit. This arrangement of allegiance holds the pack together and serves it well. Humans do more or less the same—and signal status by placing people in positions of authority, with titles and trapping to match. Our bias toward leaders, away from followers, is well founded. We have our reasons, most of them hard-wired.

Two Examples of Media Distortion

Nowhere is our inclination toward those at the top and away from those at the bottom more in evidence than in the media, the lenses through which we view human affairs other than our own. Two examples make the point.

First, the 2008 presidential campaign. Although the election won’t be held until November, the presidential campaign has been at the center of national discourse for 18 months. The conversation has not concentrated on the context within which the election will take place; or on the content of national and international policy; or on those who will actually do the voting, the followers. Rather, it has been centered on the handful of men and the one woman vying with each other to be top dog. It has been about the contest among them, about who is in

first, second and third place, and who is lagging behind and why. The numbers of stories about followers pales in comparison with the avalanche of stories about leaders. This skews our conception of leader-follower relationships; moreover, it suggests that if we choose the correct candidate, he or she will work magic, saving us from ourselves.

Second, recent events in Pakistan. In the last year, no matter how clear the evidence that the drama was being driven by the many down below rather than by the few up above, our attention was on one man—Pervez Musharraf. The action, though, was elsewhere. In fact, Musharraf would have been content to leave well enough alone—it was his followers who felt otherwise. In spring 2007, a cadre of lawyers, infuriated by Musharraf’s unilateral decision to suspend the chief justice (who was hostile to the power-hungry president), initiated large and noisy street protests against him. As a consequence, and in short order, Musharraf felt forced to retreat. He reinstated the self-same chief justice, only to be faced a few months later with an opposition that had become more rather than less emboldened, more rather than less ready, willing, and able to take him on. The crisis that followed in the fall was the result of Musharraf’s again concluding that he had to respond—this time declaring a state of emergency and dismissing out of hand the entire Supreme Court.

Recent events in Pakistan, including the assassination of Benazir Bhutto in December, do not suggest an entirely new dynamic—followers acting and leaders reacting. In fact, leaders prepared to use the full force of their command tend still to retain the upper hand, at least temporarily; as in this case, in which at least some members of the Pakistani opposition paid a dear price for daring to take on their president. But what happened in Pakistan is yet another vivid example of how even those of us who are leadership experts are too narrowly focused. We zero in on one of the actors, the leader, when the drama includes a cast of thousands.

Notwithstanding our hard-wiring and the attractions of the single individual poised and positioned to capture our collective attention, those of us in the leadership field need to broaden the conversation. The problems related to leader-centrism are of practical importance, and have policy implications as well. As Senator Joe Biden charged, the administration of George W. Bush did not have a “Pakistani policy,” it had a “Musharraf policy,” precluding it from seeing the big picture.

The same pertains to change in other places, where followers assume the task of speaking their truth to their power. For example, we have seen this in Venezuela, where students recently took on strongman Hugo Chavez; Myanmar, where monks recently took on the long-prevailing military junta; and China,

where 21st century activists are at the point of routinely taking on the political elite.

Followers have always been important—and they are more important now than ever. This is everywhere in evidence, including in the private sector where those at the top are more vulnerable to those



below. As former CEOs Harry Stonecipher (Boeing) and Carli Fiorina (HP) would testify, not to speak of others pushed from their perch such as former president of Harvard, Lawrence Summers, and former president of World Bank, Paul Wolfowitz, those on high are being watched as never before. As a result, the length of their tenure is decreasing and their turnover rate increasing. Imperial CEOs are no more.

One telling indicator of this seminal shift is the role of the symphony conductor. In 2005 Riccardo Muti, the autocratic Principal Conductor at Milan’s famed La Scala opera house, who had been in place since 1987, was pushed out by members of the Scala orchestra and staff who were fed up with his highhanded ways. Conversely, the new Music Director of the New York Philharmonic, Alan Gilbert, is young and broadly appealing, affable and approachable, with no hint of the fearsome, dictatorial maestro about him.

Leaders are having less power and influence, followers more. It’s time to end leader-centrism once and for all. LE

Barbara Kellerman is the author of Followership: How Followers are Creating Change and Changing Leaders (Harvard Business School Press, 2008).

ACTION: Shift away from leader-centrism.

Talent Crunch

Or is this just a crutch?



by Bob Burg

I WAS RECENTLY ASKED to comment on three headlines in a management magazine. Two of them declared that a talent crunch loomed for 2008 and suggested that among current and future leaders and employees, good talent is nowhere to be found.

I doubt that's true. What we have here is a failure to create the environment where people understand what leadership is all about. *Of course* there is good talent—great talent—out there. In fact, the problem is not a talent crunch but a *value* crunch—a shortage of effective potential producers. Too few people have been taught to view themselves as having a *personal value proposition*. We haven't trained people to operate with the aim of *giving more in value than they receive in compensation*.

Any manager or leader who gives more in value than they receive in compensation won't need to worry about getting caught in the vice grip of a "talent crunch." In crunch times, they *become* the talent others seek, and their *value* rises dramatically. Likewise, managers and leaders who hire people who provide such value won't be caught in a talent crunch, where they can't find enough good people.

The key here is our perspective on *value*. Value is not the same as price or compensation. Value is "the property or aggregate properties of a thing which renders it useful or desirable." For example, a high-producing salesperson knows that a consumer will exchange their money only for something they consider to be of equal or greater value. The greater the value they receive from the salesperson's product or service, as compared to the money they pay for it, the happier they will be—they're more likely to do business with that salesperson again and refer him or her to other potential customers or clients they know.

In addition to the basic price-versus-value equation of the product or service, wise salespeople also know that they add value to the customer in other ways—by providing exceptional

service; helping to connect customers with other salespeople or resources who might help them in other areas of their lives; and coming up with creative ways to increase the contribution they make to the customer's life, thereby increasing their relative worth and desirability in that customer's mind.

Wallace D. Wattles, author of *The Science of Getting Rich*, wrote: "Give every person more in *use value* than you take from them in *cash value*. That way, you add to the life of the world with every transaction." This brilliant counsel applies to any person serving any position. No matter what you do, the goal is to provide more in "use" value than you receive in payment ("cash value"). When you do this consistently, you build such a positive reputation and so increase your value that natural



law insists that you rise to the next logical level, despite politics (though perhaps not as quickly or smoothly!) And as long as you continue adding more value than the level of compensation you are receiving (and assuming you don't fall victim to the Peter Principle), this acceleration of position will continue. This occurs as the natural result of your *adding value to the organization*.

How can you cause this to happen? First, by teaching your people this orientation. Second, by creating an environment where the value they add is rewarded, not stifled or punished. This may require clearing away the underbrush of bureaucracy or the accretion of "not my job" attitudes that undermine any effort at creating positive change.

When I read that there is a "talent crunch," it makes me think that there is a preponderance of people working with a mindset that is not productive. It's not a talent crunch: it's a problem of

too many people looking at their work as trading time for dollars, rather than as *trading value for value*. In the first instance, you put in a certain number of hours to make a certain amount of money. At any salary level, it's like working an hourly wage. In the second instance, your goal is not to put in a certain amount of hours but to add *as much value as possible* with the hours you have—again, even more value than would equate to the financial compensation you are receiving. That second model produces a cycle of advancement that results in huge increases in pay *and* in position and influence.

Entrepreneurs grasp this dynamic intuitively. They see that if they are not providing value first, then they won't be eating! But in large companies, it's easy to lose sight of the core value proposition. It's easy to focus only on the *hours=money* equation when the money comes regardless of production.

Fortunately, people tend to respond well to incentives. That's why the free enterprise system works. When people are rewarded for production, they *produce*. When they're rewarded for non-production or perpetuating the status quo, they *don't* produce. Yes, behavior that gets rewarded, gets repeated. And this holds true from top to bottom.

Performance related to pay works. Like any entrepreneur, the intrapreneur is motivated by the same basic factors. And "pay" doesn't necessarily refer *only* to money—it can also refer to any other reward the person holds as being of value (like recognition or input into policy and influence in decisions).

When you approach your people from the position that says, "You provide value, and we'll provide compensation," they rise to the challenge and produce as though they have a stake in the results or *ownership* in the company—because, in a sense, they do.

Five laws increase the potential for any person to be more effective: *Law of Value, Law of Compensation, Law of Influence, Law of Authenticity, and the Law of Receptivity*. But it all begins with *value*. The value that potential leaders see themselves as having, the value they are willing to give, and the value you encourage them to give by providing the infrastructure, context and environment that motivates them to do so, form the essence of a culture where there is an *endless talent supply*. **LE**

Bob Burg is a sought-after speaker and co-author (with John David Mann) of The Go-Giver: A Little Story About A Powerful Business Idea. Visit www.TheGoGiver.com.

ACTION: Create an endless talent supply.

Leadership Is Love

A passionate pursuit of excellence.



by Tom Peters

LEADERSHIP IS ALL About love: passion, enthusiasm, energy, empathy, emotion, excitement, engagement, empowerment, execution, community, purpose, potential, profit, persistence, people, commitment, excellence, adventure, failure, surprise, growth, creativity, change, imagination, vitality, joy, spirit, diversity, innovation, design, quality, initiative, *wow!*

It's always better to try a swan dive and deliver a colossal belly flop than to step timidly off the board while holding your nose. Only "in love" leaders (outrageously excited by their product and service), and in-touch (Managing By Wandering Around) leaders inspire commitment from their talent. It's the people, stupid!

Effective enterprise is always a product of maximizing human freedom to create and serve. Leaders and organizations exist to serve and respond to customers' desires with products and services and experiences that are "gasp-worthy."

Maximum human freedom, betterment and growth are achieved under conditions of free markets and free people, governed by law and contracts, which are, in turn, the product of education and infrastructure, which maximizes the likelihood of and support for entrepreneurial people.

Entrepreneurs who have the freedom and support to start and nurture new businesses are the cornerstone of the economy. Such entrepreneurs replace the current ruling firms—or wake those firms up to the possibility of rebirth. *Organizational Effectiveness = Human Effectiveness = f (Freedom and Respect, Opportunity and Responsibility).*

Agile organizations win—in markets and in wars—and these are the product of people who are committed and have the freedom to act and create—from the checkout to the lab. The new tech-tools offer astounding "power to the people." This is a wonderful expan-

sion of human freedom and an incredible opportunity for organizations: *Good service + Good product + Good people + Good Citizenship + Room to Experiment and Fail and Grow + Commitment to Excellence = Maximum Profit + Economic Growth + Realized Human Potential.*

Bureaucracy kills initiative, entrepreneurship, productivity, businesses, economies, people, and kills nations. Only the full utilization of everyone's talent enables constant re-imagining.

Diversity breeds creative activity. The pursuit of *Excellence* is largely a matter of appreciating women's *dominating* position in the economy. *Excellence* is a universal striving. If not *Excellence*, what? Accept no less than *Excellence*. Empower one and all to vigorously seek *Wow!* in their work. Reward excellent failures; punish mediocre successes. Pursue a mission that rocks the world. Create effective, imaginative, minimalist infrastructure.

Business is about relationships. We're all in sales! Relationships are what we do. Your true priorities are "given away" by your calendar. What are you spending your time on? Are you distracted? Focused? While you may do 100 things, you should not have more than two (or three) "strategic" priorities at any time.

Excellence is the Ultimate Cool Idea. The very idea of "pursuing excellence" is a turn-on—for you and those you lead. Think *Wow!*

Language matters! "Hot"

words generate a Hot Team.

Do something in the next half hour! Don't get stuck! There is always something little you can start or do to solve a problem or seize opportunity. Test it! Now! I call this the *Quick Prototype Attitude*. One of life's biggest problems is: "Too much 'talk,' too little 'do.'" If you've got a Cool Idea, don't sit on it or research it to death. Grab a pal and start laying out a little model. Start transforming the idea to action.

Expand your horizons. Reach out beyond your comfort zone. Call somebody "you've been meaning to get in touch with" and invite them to lunch tomorrow. Volunteer for crummy little



assignments nobody else wants, but give you a chance to be on your own, express your creativity, and make a noticeable mark when it turns out "*Wow.*"

Follow the Gospel of "Experience Marketing." Selling a "product" or "service" is not enough in a crowded marketplace. Every interaction must be reframed as a *Seriously Cool Experience*. There's nothing cooler than an Angry Customer! The most loyal customers are ones who had a problem with you, and then marvel when you go the *Extra Ten Miles* to fix it! Business opportunity No.1 = Irate customers converted into fans. Look for customer problems to fix.

All marketing is relationship marketing. Profit is a byproduct of "bringing 'em back." Thus, systematic and intense and repeated follow-up and after-sales service and scintillating new hooks are vital. Dare to fend off encroaching irrelevance. Improvise. Be good at Plan B. Make it up as you go along. Make it different, not just better. Make them gasp.

I am haunted by two "photos" in my mind—day and night:

Photo 1: Business as usual. Dilbert. Drab. Dull. Dreary. Gray. Wan. Insignificant. Stultifying. Heartless. Emotionless. Soul-less. Spiritless. Know your place. It's the numbers, stupid. Think indentured servitude. Think "cubicle slave"—entombed in a white-collar tower. Think: bureaucracy, bureaucrat, overhead, cost center. Do what you're told. Park your imagination at the door. Don't rock the boat. *Fail* is a four-letter word. Play it safe. "Me too" rules. "Different" is death. "Lovemark" is looney. Fight for promotion—not the product.

Photo 2: Business unusual for unusual times. Colorful. In pursuit of *Wow!* Worthy causes. Hot language. Fun! Soul! Spirited. Energetic. Enthusiastic. Quest! Explorers! Mission! More than myself. Going places where no one has gone before. Deviants welcome! Brand You. CEO of Me Inc. 100 percent leaders. Merry. Joyous. Appreciative. Engaged. Adventurous. Failing is normal—get back up and try again now. Performance fanatics! Action rules! MBWA the norm. We care. Excellence! Brag about what you do and who you work with. Hustle! Impatience! Inclusive. Entrepreneurial. "Different" Numbers are derivative of great work. Deliver awesome experiences to customers—become a "lovemark."

My aim is to be the Cheerleader for Photo 2, anywhere, anytime! Join the movement! Your very soul is at stake. LE

Tom Peters is author of the 25-year bestseller In Search of Excellence and other books. Visit www.tompeters.com.

ACTION: Join the excellence movement.

Person in the Mirror

Your problems are obvious to others.



by Marshall Goldsmith

CAN YOU SEE IN YOURSELF what others see in you, or do you see in others what you don't see in yourself?

As a Ph.D. student at UCLA in the 70s, I had a self-image of being "hip." I believed I was involved in discovering deeper human understanding, self-actualization, and profound wisdom. Early in my Ph.D. program, I was a student in a class with 12 other people led by a wise teacher, Dr. Bob Tannenbaum. Bob had invented "sensitivity training", published a popular article in the *Harvard Business Review*, and was a full professor.

In Bob's class, we could discuss anything we wanted. I started talking about people in Los Angeles. For three weeks, I did a monologue

about how "screwed up" people in Los Angeles were. "They wear sequined blue jeans; they drive gold Rolls Royces; they are plastic and materialistic; all they care about is impressing others; they don't understand what is important in life." (It was easy for me to be an expert on LA, since I grew up in small town Kentucky.)

After listening to me babble for three weeks, Bob looked at me quizzically and asked, "Who are you talking to?"

"I'm speaking to the group," I said.

"Who in the group are you talking to?"

"I'm talking to everybody," I said, not knowing where he was headed.

"When you speak, you look at only one person and address your comments toward only one person. You seem interested in the opinion of only one person. Who is that person?"

"That is interesting," I replied. After careful consideration, I said, "You?"

He said, "That's right, *me*. There are 12 other people in this room. Why don't you seem interested in any of *them*?"

Now that I'd dug myself into a hole, I decided to dig faster. I said, "Dr. Tannenbaum, you understand the significance of what I am saying. You know how 'screwed-up' it is to try to run around and impress people all the time. You have a deeper understanding of what is *really* important in life."

Bob then asked me, "Marshall, is there any chance that for the last three weeks all you've tried to do is impress me?"

I was amazed at Bob's lack of insight! "Not at all!" I declared. "You haven't understood one thing I've said! I've told you how screwed up it is to try to impress other people. You've missed my point, and I'm disappointed in your lack of understanding!"

He scratched his beard and concluded, "No. I think I understand."

I looked around and saw 12 people thinking, "Yes. We understand."

For six months, I disliked Dr. Tannenbaum. I devoted much energy into figuring out *his* psychological problems and knowing why *he* was confused. Then it dawned on me that the person with the issue about impressing other people wasn't him, or people in LA. The person with the issue was *me*. I looked in the mirror and said, "Dr. Tannenbaum was right."

Two Lessons

I learned two big lessons:

1. *It's easier to see our problems in others than to see them in ourselves.* Often when I become self-righteous or angry about some perceived injustice, I realize that the deeper issue is often not with them but in me.

2. *Although we may deny our problems to ourselves, they may be obvious to the people who observe us.* There is often a discrepancy between the self we think we are and the self that the rest of the world sees in us. If we can listen and think about what others see in us, we can compare the self that we want to be with the self that we are presenting and begin to make the real changes that are needed to align our stated values with our actual behavior.

Today I help executives develop a profile of desired leadership behavior. Then I provide them with confidential feedback that enables them to compare their behavior (as perceived by others) with this profile of desired behavior. I help them deal with this feedback in a positive way, learn from it, and become a better role model for the desired leadership behavior. The lesson I learned from Bob shaped the course of my life.

What really bothers you? Might some of your concerns be a reflection of your problems? How can honest feedback from others help you align your values with your behavior? **LE**

Marshall Goldsmith is the author of What Got You Here Won't Get You There. Visit www.MarshallGoldsmith.com.

ACTION: Seek honest feedback.



People Alignment

Throw the seats off the bus.



by Ali Lakhani and Kevin Gazzara

WHO WOULDN'T WANT DAVID BECKHAM, Steve Nash, Tiger Woods, Sachin Tendulkar, and the Williams sisters on their team? They are the superstar athletes of their game. But what would happen if Beckham were to play basketball, Nash cricket, Woods football, Tendulkar tennis, and the Williams' soccer? Would they perform at those sports as they do at the top of their own games? Certainly not!

When we consider Jim Collins' good-to-great instruction of "getting the right people on the bus and the wrong people off the bus," we overlook the fact that we could have the best of people in the bus but if they lack passion and strength for their jobs, we commit a sin as egregious as allowing the wrong people on the bus.

Would Steve Jobs be effective in a bureaucratic organization? Would Bill Gates be an asset on a political team? No, and yet, these people are extraordinary heroes when they play in arenas where they're passionate and strong.

The millions of "passengers" who board the proverbial bus daily fall into three categories: 1) Performers, 2) Posers, and 3) Paupers.

Performers are the "right people on the bus," and they fit well into the right seats. Being seated in the jobs that they love and are effective at, they demonstrate engagement, critical thinking, creativity, and diligence.

Posers are also the "right people on the bus," yet they are misfit into their seats. They are adept at switching positions depending on prevailing conditions, they keep their leaders and everyone else perplexed. Posers are indifferent about their jobs, and their performance is mediocre at best.

Paupers too are the "right people on the bus," but these poor souls are crammed into ill-fitting seats. After much neglect, they have turned into passive and dependent followers. They present a steady image of alienation, cynicism, and dejection. The Paupers

dislike their jobs and are ineffective.

How can you convert your Posers and Paupers into Performers? By keeping the people on board, but throwing their seats off the bus.

We all know the importance of playing to one's strengths and passions. People whose *ideal* job task mixtures (routine, troubleshooting, and project tasks) are aligned to their *actual* jobs are 200 percent more likely to *optimize* their jobs. Those who are misfit in their jobs tend to *suboptimize* their jobs. A person's ideal job is created by the right mix of the three task types and maximizes the individual's intrinsic motivation. The more people can optimize their jobs, the higher the performance of their team and organization.

Rather than strapping your most valuable assets to cold, hard seats, you can create an advantage by letting your people walk about the bus and providing them with form-fitting beanbag chairs. You will rise to the next level when you jettison the seats bolted to the floorboards of the bus.

Leaders, the drivers of the bus, are responsible for boarding the right people and building a dynamic culture where people feel active, engaged, and rightly placed. Leaders who board and retain the right people and thus achieve better performance excel in 10 leadership competencies: communication, competence, reinforcement, creativity, authenticity, stewardship, confidence, empowerment, vision, and cultural leadership. These competencies are contingent on the culture of the followers. An effective leader uses the right blend of these competencies in conjunction with the right measures. Empowerment, communication, and competence rank highest for enabling alignment between people's jobs and their passions and strengths. Performing leaders who sense the needs of their people are more likely to ensure that people and jobs are aligned. Such leaders extract the best performance from their people who feel a sense of renewal after each challenge, because of their love for what they do.

Converting Posers and Paupers into Performers will require unbolting the traditional seats off the bus floor. You can't just move the same old seats around. By demonstrating the competencies of performance leadership, you can ensure that people's ideal jobs align to their actual jobs, resulting in job optimization and better results. **LE**

Dr. Ali Lakhani and Dr. Kevin Gazzara are Senior Partners at Magna Leadership Solutions. Visit www.magnaleadership.com.

ACTION: Align ideal task balance with the job.

Execution Orientation

Cultivate six characteristics.



by Larry Bossidy

BUSINESS SUCCESS, THE shrewd instinctual feel for making money, relies on two abilities: to perceive reality correctly and to execute a plan based on that reality. Three things are changing your business reality:

Arrival of globalization. Globalization promotes outsourcing, provides excess capacity, suppresses prices and margins, and alters the way you think about being cost-competitive.

Availability of credit. Today businesses fail, but they don't go out of business. Airlines are a good example. So, excess capacity never gets corrected.

Arrival of the mega-merchants. Home Depots, Lowe's and Wal-Mart have brought lower prices to consumers, but left in their wake the destruction of many once vital and profitable small businesses.

Since you will feel these realities, you need to look carefully at your environment, confront reality, sense what's happening, anticipate trends, and make quantum changes.

Once you confront reality, how do you run the company successfully? Historically, it isn't the lack of intellect, vision, or strategy that causes many companies to go adrift, but rather the inability to execute. Execution is a discipline of creating, energizing and sustaining an integrated business system for getting things done. If you can execute well over time, you'll command a higher price/earnings multiple than those who don't. There is a big economic payoff to sustained execution.

Elements of Execution

An integrated business system has three important aspects:

1. Strategy. Strategy is more of a road map than a detailed plan. It gets more managers involved in its formation, since these are the people who implement the plan. And it has four parts: an analysis of the environment, a plan for growth, a plan for productivity, and overview of the issues facing the business and their solutions.

2. Operations. Operations starts with

a detailed operating plan. The essence of an operating plan and of execution is accountability. You assign accountability when you do the operating plan. You elicit the support of all the people in the business, you put a contingency plan in place, and when the plan is done, you follow up on it. Execution-oriented companies like follow-up.

3. People. I'm referring to the selection, training, and development of your people. When you build, assess and develop your human capital assets, you create a work force that you can depend on. You develop business-savvy people who can look around corners, anticipate oncoming events, and deal with them when they occur.

You want to have people who need to know, who have a thirst for knowledge and who blend the opinions of others with their own. You'll do better with people who know what is required and do it, not just protest it. Look for people who work well in teams.

These three elements are linked. By thinking of them in tandem, you get far more productive and robust outcomes.

Six Traits of Execution Orientation

Great executors share six traits:

- **They have leaders who know their business and their people.** They take a position on matters that come before them. They might give way to another position, but they weigh in.
- **They embrace realism.** They don't chase ideas that have no chance of success or waste money and time in such pursuits. They look to where they plan to apply the idea and ensure that it can accept it, absorb it, and succeed with it.
- **They set a few clear goals.** Everybody knows what they're trying to achieve. The clearer the goals, the more accountability, responsiveness, and success.
- **They reward the doers.** They differentiate on salaries and on bonuses and on other perquisites because that is the mother's milk of keeping great people.
- **They coach their people.** The leaders coach people who can replace them.
- **They know themselves.** The leaders are aware of the things they do well and things they can do better.

Being an execution-oriented company is exciting, dynamic, and difficult, but it puts you in the winner's circle. **LE**

Larry Bossidy has served on several boards and is the past CEO of AlliedSignal and Honeywell, past COO of GE Capital, and vice chairman of General Electric. He is the coauthor with Ram Charan of Execution and Confronting Reality.

ACTION: Cultivate an execution orientation.

Sense of Urgency

Incite inspired action.



by John Kotter

YOU NEED MORE ACTION from a broader range of people—action that is informed, committed, and inspired—to lead change. The rate of change won't slow down. And competition will speed up. You will be presented with more terrible hazards and wonderful opportunities.

My book *Our Iceberg Is Melting* is a story that outlines eight change steps:

Set the Stage

1. Create a sense of urgency. Help others see the need to change and to act immediately. The pull of the status quo is so strong as to derail transformation efforts if urgency is not clear. People at all levels need to be convinced of the need for change, or the transformation efforts imposed can be slowed or sabotaged. How many companies make it clear to their stakeholders the possible consequences of a change in the market and prepare for it? Many don't, and some are no longer with us. Today, we see companies resting on their laurels for too long and then struggling to catch up to changes in the marketplace.

2. Pull together the guiding team. Ensure there is a powerful group guiding the change—one with leadership skills, bias for action, credibility, communication ability, authority, analytical skills. This crucial step is often disregarded by even knowledgeable leaders. The right team—not just top players, not just unempowered middle managers, not just technologically qualified team members—is still a must for effective change. So, gather such a team, and work with them closely to plan for and deal with any disaster that might strike.

Decide What to Do

3. Develop the change vision and strategy. Clarify how the future will be different from the past, and how you can make that future a reality. Change leaders often neglect this step or implement it badly. There can be a clear and urgent need for change but no vision and strategy. Only a few organizations have made outstanding strides articulating a vision and creating the right strategy to make it happen. Eight years

ago, few people had ever heard of eBay. Today, millions of people recognize the company that CEO Meg Whitman and her team, with a powerful vision and strategy, created—an unparalleled global ecommerce engine and a leading company that has reshaped online commerce and payments around the world.

Make It Happen

4. Communicate for understanding and buy-in. Make sure as many people as possible understand and accept the vision and the strategy. Change imposed is not change effected. A critical mass of people must understand the vision and strategy to bring about successful transformations. Leaders can use new and innovative ways to get across the messages about the urgent need for change, the new direction and how to get there. Emails and screen savers and text messaging can supplement posters and newsletters. Companies like British Petroleum use broad-based communica-



tions to help customers as well as employees understand how the changing picture of energy in the world today affects its vision and strategy.

5. Empower others to act. Remove as many barriers as possible so that those who want to make the vision a reality can do so. When leaders do this effectively, they can achieve astonishing results. For example, in an industry crushed by the weight of rigid structures, systems and culture, where companies have been figuratively crashing and burning over the past decade, Southwest Airlines has broken through those barriers to maintain its success based largely on its expectation that all employees act in a leadership capacity to cut costs and improve service.

6. Produce short-term wins. Create some visible, clear successes as soon as possible. To avoid burnout, remember to stop and celebrate your progress. When you do, you receive renewed energy for the efforts ahead.

7. Don't let up. Press harder and faster after the first successes. Be relentless with instituting change after change

until the vision becomes a reality. In the past decade, we have seen some companies flame up with great initial momentum and then crash, unable to sustain the innovation needed for continued success. Others have risen from their knees and managed great leaps. Because changes now happen so fast, "don't let up" is even more important.

Make It Stick

8. Create a new culture. Hold on to the new ways of behaving, and make sure they succeed, until they become a part of the culture. The knowledge of ways to make the transformation happen should be embedded deeply in the organization. Many more people need to have this knowledge and skill-set.

These eight steps for leading change hold up well. The question is, how well do you implement them, starting with creating a sense of urgency?

Suppose, for example, that you are a mid-manager. You see a problem with a new strategy, IT system, struggling growth initiative, aging product line, or a difficult merger integration. But the problem is either not seen by others or isn't being addressed. It's as if you are living on an iceberg that's melting—you see the dangerous erosion, but your fellow penguins, especially those on the Leadership Council, are saying, "Problem? What problem?"

So what do you do? Tell your boss, immediately. Start talking it up. Try to get an appointment with the CEO. Prepare an in-depth presentation. Do nothing—leading change is not your job, and they don't pay you enough for the aggravation. One of these options is what most people choose to do.

If you have seen these options fail, you may say to yourself: "What can I do?", "I don't have the power", "it's not my job", "this could be hazardous, and I have an obligation to keep bread in the mouths of my family."

There is a better option to getting an important change started: You do act, but not by relying on telling bosses, big bosses, or anyone, not by offering what will look like opinion, or by dumping data on anyone. **You show others the problem, in the most attention-grabbing way possible, with only one goal: to create a sense of urgency around the issue.** The formula: show them, don't just tell them, and create a sense of urgency, don't just point to a problem. **LE**

John Kotter, an expert on leadership at the Harvard Business School, is the author of *Leading Change* and *Our Iceberg Is Melting*. Visit www.ouricebergismelting.com.

ACTION: Create a sense of urgency.

Build Trust

Avoid five temptations.



by Patrick Lencioni

SOME LEADERS OVER-complicate problems, and mistakenly assume that the solutions to their problems are subtle and evasive. So they try every new strategic fad or management theory with little satisfaction.

They often fail to see that answers are right in front of them, buried with-in common sense. In fact, a leader only has to do five things to optimize their success—and avoid the five temptations that lead to eventual failure.

Temptation 1: the natural but dangerous tendency to enjoy the status that accompanies your role as leader. This is common among leaders who feel too good about being in charge. Enjoying status inevitably distracts you from the only real area where you should be focused: results. Those leaders who give in to the lure of power and status create an environment in which their people make decisions for all the wrong reasons: to curry favor with the CEO or to position themselves for promotion and reward. Leaders who never lose sight of measurable results keep people focused on producing. And that is what leading is all about.

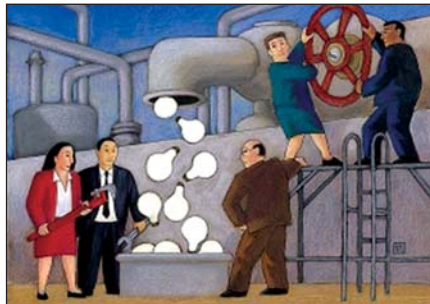
Temptation 2: the dangerous need to be liked by the people whom you lead. This need makes you hesitate when it is time to hold people accountable for their behavior or their failure to deliver results. Fearing that you might hurt the feelings of your staff members, you avoid giving them the feedback they need to improve. This hurts the team's ability to produce results. This temptation is high when a CEO has close personal relationships with employees.

Temptation 3: the need to ensure that your decisions are correct. This troubles analytical executives who want to be accurate, precise, and correct. This creates paralysis when leaders wait until they have enough information to be sure about their decision. Employees lose heart. Executives lose confidence because someone was afraid to make a tough call in the face of imperfect information. Since many CEOs are promoted through the ranks early in their careers because of their analytical skills

and attention to detail, they have difficulty embracing ambiguity later in life.

Temptation 4: the tendency to preserve harmony, even when a good fight is needed. This temptation kills good decision-making and creativity. Of course, I'm not talking about personal, vindictive fights. I'm talking about passionate ideological discussions, even arguments, around issues that must be faced. Employees with strong opinions often care the most, and should be encouraged to air their opinions with one another. This ensures that all ideas are mined, and it creates buy-in.

Temptation 5: The need to maintain an air of invulnerability among the people you lead. This hampers your ability to build trust among your people who want to see their leaders as human beings, so that they can be comfortable being human. In organizations where a CEO is never wrong or weak, we see a never-ending posturing exercise, where real dialogue and decision-making die. Leaders who are open to being wrong, weak, and honest about their shortcom-



ings build rapport and eliminate much of the politics and butt-covering.

Start by Building Trust

Trust makes people feel comfortable when it comes to engaging in productive conflict. Conflict makes decision-making easier because leaders know they have heard real opinions. Clear decisions with buy-in make it easier for a leader to hold people accountable for doing what they said they would do. And accountability makes results a matter of predictability and planning—not speculation and hope.

Avoiding the five temptations, and embracing their opposite behaviors takes discipline, courage, humility, simplicity, and teamwork. Teamwork is a choice, not a mandate. When people see teamwork as a "must do" rather than as a "choose to," they avoid the work of making teamwork a reality. All leaders espouse a belief in teamwork, but few achieve it because they either don't understand or underestimate the

work that teamwork requires. If they don't do that work, they only create frustration and disillusionment by raising expectations that they can't meet.

What can you do about this? First, you can make a choice about teamwork. Rather than agree half-heartedly to a team-building effort, you can accept the sacrifice and labor that goes into achieving real teamwork. Once you "opt in" to be a real team, you can then build momentum by addressing the most common dysfunction of a team—lack of trust. The key to trust on a team is making members feel comfortable being vulnerable with one another. Vulnerability has everything to do with being honest and open about who you are—including your faults, weaknesses, mistakes, and limitations. Depending on the time, energy, effectiveness and courage of the leader, trust can be built in just days, not years.

I see two keys to trust-building:

Key 1: The leader has to model vulnerable behavior. When leaders are comfortable being honest about their issues, team members will also be.

Key 2: The leader needs to use simple but effective exercises to help team members get comfortable being vulnerable. You can jump-start building trust by using these two exercises:

Personal history. Invite team members to reveal a difficult challenge they have faced. You'll be amazed at what you learn. Suddenly people feel more comfortable talking about who they are.

Behavioral profiling. Profiling tools provide team members with an objective, reliable means for understanding and describing one another and for giving and receiving feedback that feels constructive, not personal and opinionated. Open, candid dialogue breeds trust.

Critical Success Factors

Here are three critical success factors:

1. Proceed at a swift pace. Taking too long to do a lecture or exercise is a sure way to lose a team's attention and provoke them to question your credibility.

2. Push team members harder than you feel comfortable. Every great team-building effort requires some risk, and part of that risk involves vulnerability.

3. Connect the work to the results of the team. Anticipate objections of team members to the team-building effort. Explain how the exercise helps get more done in less time. Once you begin to build trust, you'll have the time and energy to address other dysfunctions. LE

Patrick Lencioni is the author of *The Five Dysfunctions of a Team*. Visit www.tablegroup.com.

ACTION: Build trust on your team.

Leadership Renewal

Create the space for transformation.



by Andre Martin

THE THEME OF MOST leadership conversations is “We can never go back.” Our world has shifted. It’s no longer a simple place made up of clear decisions and expected outcomes. It’s a place where our greatest challenges are immune to traditional solutions, where there is more uncertainty than confidence, where disruptive technology and processes appear overnight, and where connecting has more to do with Facebook than face-to-face interactions. We are unprepared for this world. We are all standing at the edge of relevance.

The job of the leader was once to mobilize people to move in a singular direction and drive action through technical expertise. Today’s organizations require strategic agility over a long-term vision, influence without authority over technical expertise, and leaders who create space, not take it up.

This isn’t to say that leaders should simply *empower* people and give them free reign. Rather, leaders must frame the created space so people can pinpoint the places of greatest impact and make a step-change in their processes, markets, geographies, industries, and personal development. How does a leader do this? What skills are needed?

Create Five Spaces

To enable people to transform the business and themselves, leaders must create five spaces, each representing a new task of leadership, complete with a primary skill and potential obstacle.

1. Create the space to bring the most talent in the room. First, bring the most talented people—those who can spark a step change—together around key strategic challenges. Create a space where consumers, competitors, ex-employees, future employees, thought leaders, mission-critical employees, and high-potentials have the time and energy to engage in the right conversations. Through these conversations, you can uncover the most important questions and focus energy toward a desired end.

The primary skills are *scanning the crowd* (knowing who is out there and

what unique value they will bring) and *clearing the dance card* (creating resource space so people can engage). The potential obstacle is *hanging the red velvet rope* (inviting only those who are liked, politically accepted, or simply available).

2. Create the space to provide an informed opinion. Next, create space for those individuals to have an informed opinion. If your language and perspectives are the leading edge of transformation, you must provide your people with the most cutting-edge trends and best practices to ensure they keep an air of healthy dissatisfaction. Require your talent to search for new perspectives and integrate cutting-edge views before working on key challenges. Bring an end to the “strategic off-site.” Provide enough provocation for talent to see a new set of realities, while ensuring they can still make sense of the world.

The primary skill is *amplifying curiosity* (building a culture that thrives on fresh perspectives and new views), and the obstacle is *enacting the three-second delay* (censoring perspectives by controlling available information).

3. Create the space to fiercely debate issues. Debate allows you to see issues clearly, uncover past compromises, understand dynamic tensions, and overcome interpersonal obstacles that plague conversations. Debate is central to transformation, as it pushes your thinking and focuses you on key challenges. Debate often eludes mission-critical transformation teams due to everything from self-serving consultants to strong-armed team leads. Future leader must encourage a different space by asking difficult questions, resisting personalizing issues, encouraging disagreement, and showing vulnerability. While there might be heavy energy expenditure and apparent loss of productivity due to the conversation, debate must occur early and often.

The primary skill is *creating insightful conversations* (creating debate and using it to build trust, engagement, and understanding). The potential obstacle is *handing out the detention slips* (punishing dissenters and seeking to live in a world of violent agreement).

4. Create the space to practice breakthrough thinking. Innovation has become the buzz word for business. However, it is not innovation in the “what” (products, brands, or services) that matters, but innovation around the “how” (processes, approaches, and operating philosophies). Through the *how*, you can position your organization for market disruption, technological advance, or industry shift. A leader’s job is to create space for breakthroughs to occur by uncovering dynamic tensions, encouraging new approaches, and rewarding risk. As a mentor used to say, “We’re only strategic when we’re planning to fail.” We are only strategic when focusing on the *how* and not the *what*. This is at the heart of breakthrough thinking.

The primary skill is *enabling daydreaming* (framing the world into large

“what if” questions to avoid the complacency of success or the desperation of decline.) The obstacle is *banging the judge’s gavel* (evaluating an idea as soon as it is voiced and either pushing it forward or throwing it away.)

5. Create the space to discover what matters

most. By letting people use some time to create initiatives and projects that drive real difference and align with the goals of the organization, you provide a space where their passions can meld with organizational hopes, resources, and strategy in a real way—where they can prototype ideas, test potentially revolutionizing initiatives, and mine the lessons that come with such daunting feats. By prototyping many ideas on a small scale, you engage employees in a compelling way.

The primary skill is *encouraging critical reflection* (pulling key lessons out of all initiatives so every action has a return), and the potential obstacle is *pulling the puppeteers strings* (limiting your return on talent by using them to implement only a few big ideas.)

By creating space, leaders let transformation happen from the middle out—where strategy, products, and customers intersect. Creating space allows transformation to be a source of energy renewal. Instead of asking for more energy, leaders must provide an energizing space. By creating the right space at the right time, they can avoid slipping from great to good to irrelevant. **LE**

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ACTION: Create space for transformation.



Meeting People's Needs

You can create a needs-intelligent workplace.



by Judith E. Glaser and Charles Jones

REMEMBER WHEN EMPLOYEES WERE content to get a paycheck, a promise of lifelong employment, and “employee of the month” kudos in exchange for doing a good job?

Well, those days are gone! In today's, knowledge-worker-centric workplace, employees expect to work for a company they feel proud of, be involved in work that makes full use of their gifts and talents, have a say in the decisions that shape their job, enjoy opportunities to learn and grow, be respected for their expertise, and be appreciated for their contributions.

Like customers, employees have become more demanding. They expect their psychological needs to be met. Fail to meet their need of appreciation, and employees will check out from the community, as evidenced by diminishing discretionary effort, withholding opinions and ideas, and forming groups that whine and complain.

When an employee begins to check out, managers often begin to think of this person as uncooperative or unreasonable, which leads to counter-productive behaviors on part of the manager—such as avoiding the person, talking judgmentally about them, or passing them over to HR for repair.

This creates a vicious cycle: employee engagement continues to decline while the manager becomes exasperated with the employee's performance until the tension is relieved—either by the boss deciding to fire the employee, the employee choosing to leave, or both resigning themselves to low satisfaction and performance.

We suggest interpreting negative behaviors as indications that the psychological needs that drive performance are not being met. All people have deep-seated needs for meaning, purpose, connection, and inclusion that they want—and expect—to fulfill at work. Yet leaders tend to be uncomfortable with the topic of “needs.”

Needs connote a deficit, and, the word *needs* is often confused with the word *needy*, connoting *excessive* wants and needs. Leaders who don't know how to have conversations about needs, often think that meeting needs means: “It will take too much of *my* time to meet *your* need—time that could be invested in getting business results.

In this context, an employee's need for inclusion, appreciation, or meaning shows up as an interruption or impediment to achieving goals, and the idea of supporting an employee in meeting their psychological needs shows up as pandering to weakness and engendering co-dependency. And yet, employees whose bosses fail to attend to their psychological needs tend to leave or disengage, while employees whose bosses encourage them to open-



ly express their needs and support them in finding ways to meet those needs tend to be loyal and productive.

How do you create a culture where people express their psychological needs and are supported in finding ways to meet them without falling into a bottomless pit of emotionalism and psychological dependency? And, how do you leverage your employee's psychological needs to fuel the growth and performance of your business?

Take Five Steps

We define “needs-intelligence” as the capacity to recognize the psychological needs of self and others and then to translate this awareness into actions that meet these needs. In a needs-intelligent workplace, people are encouraged to honor their own psychological needs and feel supported in finding ways to meet these needs. Creating a needs-intelligent culture will pay big dividends in higher

morale, retention and productivity. Here are five steps you can take now:

1. Acknowledge the importance of people's psychological needs. Our needs are our energy, our source of motivation and engagement. Acknowledging psychological needs in yourself and others creates a culture where people feel comfortable expressing their needs and taking action to meet them. To acknowledge needs, you must first recognize them. We have identified seven needs which, when met, lead to high engagement and satisfaction and when not met, lead to low productivity and retention: 1) *inclusion and belonging*: we need to feel included and connected and in a healthy supportive relationship with others and be included in the flow of information and decisions that affect our job; 2) *appreciation and recognition*: we need to be appreciated for our gifts, talents, and achievements and to feel comfortable recognizing and appreciating others; 3) *challenge and achievement*: we need to feel challenged by our work and have opportunities for achievement; 4) *trust and accountability*: we need to feel that we can count on others to be fair and honest, know what is expected of us, and be held accountable for our results; 5) *growth and learning*: we need to work in places where we can learn, grow and develop our skills and talents and contribute to our organization's goals; 6) *power and control*: we need to have influence, and have a say in the results and actions we are accountable for; and 7) *meaning and purpose*: we need to know that our work adds value, has meaning, and is part of something bigger than we are alone.

2. Model self-responsibility for meeting needs. As a leader, you can foster a culture of self-responsibility by expressing direct and timely feedback to others when their behavior detracts from your needs being met and by making clear requests regarding actions you'd like them to take to better meet your needs. Also, you can encourage others to take more responsibility for meeting their needs by asking them for feedback on whether your behavior is meeting their needs and, if not, what needs are not being met and what actions they'd like you to take to better meet these needs.

3. Offer and accept support for identifying and meeting your needs. We often need help identifying what our needs are and the support of others to meet them. As a leader, you can foster an environment in which people support each other in identifying and meeting their needs by offering support (asking someone who appears distressed to say

what's up for him or her and accepting support when it is offered.

4. Celebrate when needs are met.

Nothing validates the importance of needs and builds momentum for continuing to meet these needs than celebrating the actions that lead to these needs being met. Celebrate the meeting of a need, and you can expect this need to become increasingly met going forward; fail to celebrate the meeting of a need that is near and dear to someone's heart, and you can expect this person to become demoralized.

5. Hire needs-intelligent employees.

People's capacity to identify and meet their psychological needs is largely a function of their experience and upbringing. Some employees may arrive to work intent on creating a sense of inclusion and belonging, while others may arrive resigned that they'll never feel included. As a leader, you should identify those needs you would like more support for in your culture and then to hire people who have a strong connection to these needs and embody a sense of self-responsibility for ensuring that these needs are met.

Reap the Benefits

You can't ask people to leave their needs at the door while expecting them to passionately engage in their work. You can either deal with people's needs directly, respectfully, and effectively in support of their performing at their best, or ignore (or discount) their needs and deal with negative behavior and disengagement.

As managers and leaders, we are in a unique position to model what it means to be responsible for meeting our own needs while acknowledging that our psychological fulfillment is interdependent with others. When we create an environment in which people's needs are acknowledged and supported, people feel comfortable expressing their thoughts, needs, and ideas, and become emotionally connected to the organization and to each other. Emotional connection is the strongest link to sustaining long-term relationships and shared commitments to success, and one of the biggest contributors to performance and retention.

The more people's psychological needs are met, the more passionate they become about meeting the needs of their customers. LE

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ACTION: Create a needs-intelligent workplace.

Onboarding Coaching

New leaders can contribute faster.



by Sheree Butterfield

WHAT ARE YOU DOING to protect your investment in your newly placed executive? How can you improve the retention of new hires and ensure they are building strong, effective coalitions? How will you mentor your new team member? These questions, along with the costs associated with the high failure rate (64 percent) among newly placed executives, are propelling many organizations to launch onboarding coaching programs to protect and leverage their new-hire investment.

Newly hired executives fail for many reasons:

- A gap in pre-hire expectations vs. job realities
- Changes in senior leadership that bring a change of direction
- Reliance on old skills and mindsets to succeed in the new position
- Failure to cultivate what's needed in the new role
- Little effort to engage the newly placed executive from the start
- Not knowing how to navigate and succeed in the new culture
- Failure to quickly forge critical relationships where the *real* power sits.

Why Offer Onboarding Coaching?

Beyond increasing the success of new executives, here are six other reasons for offering onboarding coaching:

Support for change agents. You may want to bring in new thinking, shake things up, or add diversity and anticipate the need for support in acclimating the new hire to their culture.

Faster start. You want a faster start for new executives. The average time for a new hire to reach breakeven is 6.5 months. Onboarding coaching can reduce the time to breakeven.

Protect your hiring investment. It is a huge commitment of resources to recruit a new executive—whether they are an internal or an external candidate. Onboarding coaching protects your company's hiring investment.

Leadership development. Companies have a commitment to leadership growth and recognize that new roles

are pivotal transitions for any leader.

Increase engagement. First impressions are key. During hiring, candidates consider how well suited they are to meet the new challenge. Taking advantage of that early energy with a strong welcome (including time with the new boss) cements their decision to step into the new position.

Ensure alignment. With a 90-day plan for their new job, executives can align with their boss' expectations. They can feel comfortable, prepared, and excited about the challenges and opportunity to make a difference.

Onboarding coaching programs need to deliver measurable results—such as improved retention, engagement, and business impact. Executives with goals at risk, in newly created positions, or positions in which it is difficult to retain leaders, or those hired to create change are candidates for onboarding coaching.

10 Steps to Coaching

Employ 10 best practices:

1. Articulate the issue to be solved.
2. Obtain broad buy-in to candidate selection criteria.
3. Use a single coaching company that provides a single point of contact, appropriate levels of coaches, a process for matching coaches to new hire, and accountability to defined and measurable deliverables.
4. Keep confidences to cultivate high trust.
5. Have a clear communication and escalation process.
6. Ensure the process is replicable.
7. Measure and publicize results.
8. Link to a broader human capital program.
9. Clarify responsibilities—coach, coachee, new exec's boss, HR sponsor.
10. Run a pilot; learn from it, adjust, and tweak with on-going feedback.

Work with a seasoned coach to: solve business issues having direct bottom-line results; provide structure and support during difficult transitions; allow for "practice" of a new leader's strategy and ideas; set up a safe way to regularly get results and feedback from major stakeholders; assess the team quicker; conduct "critical player" interviews to sense how things are done; manage initial impressions; gain support for the executive's success; and understand and adapt to culture.

The real payoff is contributing faster, being engaged, and inspiring followers along the way. LE

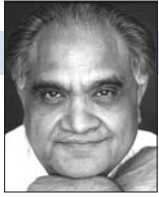
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ACTION: Improve your onboarding coaching.



People Acumen

Productivity amid change.



by Ram Charan

LEADERSHIP IS PREDICATED on the ability to mobilize others to accomplish a vision, goal, or task. Leaders can't do everything; they get other people to do things. They increase their capacity to get more done through delegation and follow-through. They set expectations, get the best people to do what needs to be done, and oversee the relationships to ensure that destructive or self-interested behaviors don't subvert the common purpose.

Leaders with people acumen select the right people, motivate them, get them working well as a team, and diagnose and fix problems with coordination and social relationships. Real leaders show enthusiasm for selecting people who are better than they are—whether or not they have worked with them before—and then manage those people to lift the organization to new heights. They motivate their people and develop them as conditions change, retaining those who advance the business and courageously deselecting with dignity those who don't. Such leaders show a pattern of accurately identifying other leaders' talents, helping them flourish, or easing them into other jobs where their talents fit better.

Leaders with people acumen get the most out of their people by setting clear goals, then giving feedback and coaching judiciously to help achieve them. Most use some *key performance indicators* (KPIs) that not only measure progress in quantitative terms but also influence behaviors. A KPI may be as simple as the percentage of customer calls answered in the first minute or as broad as corporate profitability measured against competitors. They watch for problems that might impede achieving the KPIs and give people unvarnished feedback. They are keen judges of when someone is not up to the task and make the hard decision to replace him. Many people who think they are leaders are uncomfortable and indecisive in the realm of personalities, even when they have the insight into who and what needs coaching. Some have a deep-rooted need to be liked that compromises their judgments of people.

You can improve your ability to select and develop people's talents, but other aspects of people acumen are hard to teach. Leaders with people acumen have good instincts to anticipate problems among individuals who work together and to resolve them. They size up the group dynamics, pinpoint simmering conflicts, then draw them to the surface to unblock the group's progress. They intervene when they detect behavior that disrupts the work of the group. These leaders are fearless, whereas many people are concerned that if they change the group dynamics, they'll lose face.

Social acumen is also manifest in network-building. Leaders who possess it desire to work with diverse people and cultivate broad social networks that permeate the company, including subordinates, peers, and superiors.

As these leaders develop their social acumen, their networks often extend beyond the business to include customers, suppliers, regulators, politicians, and various interest groups. The relationships tend to be durable because they are built on trust, and trust

allows information to flow both ways, exposing the leader to new ideas and perspectives. Social networks also allow them to energize and synchronize people's energy and actions.

Business Acumen

Every leader has a basic understanding of how the business makes money by managing the profit and loss (P&L) as well as the balance sheet in the context of the market. Profit *and* loss is a broader concept than profit *or* loss. Managing the profit *and* loss requires leaders to consider many factors that contribute to either a profit or loss, connect them, and make the trade-offs with the goal of making money and generating cash on a sustained basis. Leaders must also know how profits and losses interact with the balance sheet, which indicates the health of the company.

This ability to conceptualize the working of the business is present and highly developed in successful leaders. It is the intuitive ability to comprehend the total picture of a business and communicate how it makes money.

An intuitive feel for business is evident at an early age, if we look for it. Some people intuitively understand the connections between customers, profits, money they borrow, and money they take in. This business acumen

is evident in shopkeepers who mark the prices down in the right increments at the right time, buy the right merchandise, and create the right shopping experience, constantly making adjustments to keep the cash flowing. They have a knack for making the right trade-offs and decisions.

You also can see it in some leaders at low levels in big companies and in the early stages of their careers. They sense how the company makes money, what it offers customers, and how it compares with the competition. Given the chance to run a P&L center, they weigh multiple factors, from changes in the environment to internal constraints, in deciding how to position the business and expand its money-making. They see the relationships between the variables, determine

which are most important, and make decisions that deliver clear, measurable business results.

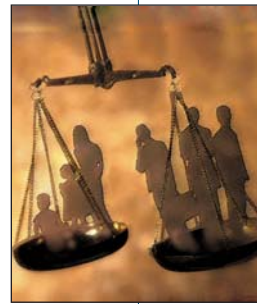
As the scope of a leader's job increases, the complexity grows exponentially. The leader needs greater mental breadth and depth to make the connections between the complexities of the outside

world and the intricacies of money-making. She also needs incisiveness to cut through that complexity to the fundamentals. When leaders can't make good decisions, or any decisions at all, their business acumen is not expanding. They don't have CEO potential. Leaders who continue to develop their business acumen, or CEO nucleus, expand their capability to add more value per increment of time by taking on more complexity, ambiguity, and uncertainty.

The search for business acumen helps keep other traits and skills in perspective. For instance, great communication skills help leaders motivate people, implement strategy, and win over customers, investors, and the public. But business acumen defines the *substance* of the message being communicated. Some young leaders can excite and lead their team to deliver on stretch goals, but can they define where the group is going? Are they decisive, and can they sort through multiple alternatives to find the right path forward? Can they use their acumen to choose the right goals and KPIs? With practice, any leader can improve, but some leaders are naturally better at it. **LE**

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ACTION: Cultivate people and business acumen.



Running the Rapids

Navigate tough conversations.



by John Stoker

OVER 12 YEARS, I guided 92 week-long whitewater rafting trips down the Colorado River through the Grand Canyon. What I learned from dealing with people while running the rapids can help you navigate challenging conversations.

Most leaders avoid confronting people with negative feedback or discussing unmet expectations. You can achieve success by following 10 tips.

1. Read the river. Ripples on the surface water, rolling waves, and frothing foam are reflections of what is beneath the river's surface. With people, the same is usually true: what is going on on the outside is a reflection of what is going on inside their heads. To successfully navigate any challenging conversation, you must be aware of what is going on, both on the surface and underneath, with yourself and with the other person. You simply can't manage dynamics that you can't see! Learning to read the dynamics in conversation—what is going on beneath the surface—is paramount. Awareness is the key.

2. Stop and scout ahead. Big rapids demand that you stop, look, and identify upcoming obstacles. Scouting a challenging conversation is about identifying your assumptions and those of others. The assumptions you hold about people or situations color the conversation. Non-verbal elements (body language, facial expressions), tone, word choice, and attentiveness are influenced by the assumptions both parties make. Examining assumptions in advance prepares you for what you may encounter.

3. Spot rocks and holes. In rapids, rocks lurking beneath the surface can hang up a boat or even slice it in half. "Holes" are created in spots where water pours over gigantic boulders and then explodes back on itself, creating "hay stack" waves. These holes draw everything into themselves and pull the unwary down and under the water. Some people you encounter are like rocks: they are not open to perspectives other than their own. Rocks in a conversation are followed by holes

that can suck you in and distract you from the real purpose of the conversation. Both impediments effectively stop progress. Although you likely can't remove or change the "rocks" or "holes," you must identify and plan for them to move forward.

4. Choose a line. A "line" is the path you plan to take through a rapid. The "line" in a conversation is your clearly defined purpose or intent for having the conversation. Identifying your intent in advance helps you to stay focused on what you want to achieve and not get hung up or capsized by distractions.

5. Set up early. At the top of every rapid is a smooth V-shaped patch of water called "the tongue." You want to be lined up right in the center of the tongue as you begin your run. If you are



out of position, no amount of frantic maneuvering will correct your course. Setting up early in conversation is about knowing the purpose for your conversation, deciding what words you want to use, gathering data to support your interpretations, and crafting the conversation. It may be helpful for you to script out what you want to say beforehand.

6. Respect the challenge. The power of water in rapids is tremendous. Once, before running a large rapid, I advised a woman to change her position on the boat and to tighten her life jacket. She refused. The rapids waves washed her off the boat, pulled off her life jacket, and tore off all her clothes. Dealing with people in conversations represents a similar challenge. We need to be respectful in every aspect of our interactions—in what we say and how we say it. If that woman had been more respectful of the power of the rapids and my request beforehand, she would

not have been so embarrassed later.

7. See where you are. Another time, one passenger sat on a rattlesnake in camp and was bit *seven* times before he realized what was happening! Often we don't recognize what is going on in conversations, and we need to do a reality check and ask ourselves if a conversation is working. For example, when we recognize resistive or defensive behaviors, we can make adjustments to deal with them. The way others treat *us* is generally a reflection of how we treat *them*. Being aware of where you are and of what results you are getting can give you the flexibility to make necessary shifts or, like my snake-bitten passenger, simply change your location.

8. Manage your emotion. Some rapids in the Grand Canyon have 40-foot high standing waves. Motoring a 37-foot raft up the face of a 40-foot wave creates heart-pounding emotion. Some people become frustrated or angry during challenging conversations. You can either have your emotions or they'll have you. When negative or hot emotion arises, ask open-ended questions to shift the brain out of protective-reactive mode into thinking mode, defuse the emotion, and restore rationality. If you are emotional, you can't think clearly—so stop, think, and question.

9. Look and listen to learn. During a downpour on one trip, my passengers were huddled under a tarp in the boat. Suddenly hundreds of waterfalls cascaded over the rim of the canyon into the river, followed by a rainbow that arched over the gorge. "Look up!" I yelled. "No, it's too wet!" they retorted. We often fail to explore the perspectives of others or lessons they may have learned. Asking questions increases understanding and perspective, and it also creates respect in the process. Don't assume you know it all—look and listen to learn.

10. Hold on and enjoy the ride. Whether the river is calm or churning furiously, you need to hold on because of unforeseeable events and also to enjoy the grandeur of floating through eons of nature's history, captured in water and stone. Taking time to recognize and respect those you manage is part of enjoying the ride—no matter how challenging the experience.

Each individual is, in a sense, a river full of rapids which—if managed effectively—will bring new life, energy and power to any human endeavor. **LE**

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ACTION: Better manage tough conversations.

Align Performance with Your Strategy

Choosing the right team matters.



by James McCoy

TODAY LEADERS MUST differentiate their organizations through intangible assets: talent, leadership, culture, strategic vision, mission, and plans. Each year, executive teams spend months, fine-tuning their strategies to align with changing market dynamics and to secure competitive advantages.

At the end, executives usually feel they have a clear picture of where they are headed, what actions they must execute, and how they'll measure success. However, often there's a disconnect between leaders and employees when implementing the strategy. Employees don't see how their performance supports the strategy. And since management will use performance metrics to define "success," using the right metrics becomes important.

Many companies use metrics that don't measure how employee performance affects company success. As a result, employee incentive programs are often ineffective. They don't drive the desired outcomes—or mistakenly reward the wrong behavior.

Leaders need to ensure that strategy and measurement are translated to frontline employees. Leaders can then implement a performance plan that will help communicate strategy, define desired performance behaviors, motivate employees, and determine the right metrics to help achieve goals.

Performance Measurement Plan

Recognizing employees requires more than simply looking at the numbers. You must *identify* relevant metrics that match employee behavior with strategy, correctly *interpret* the meaning of different data points, *reevaluate* what success looks like as your goals change, and *communicate* this information.

Here are four steps for implementing a performance measurement plan:

1. Identify the measurement criteria relevant to strategy. Ensure that the right performance metrics are used to evaluate success and match those metrics to performance. By doing so, you

empower employees to excel in their roles while boosting your ability to execute the strategy. You might hold focus groups, establish climate surveys, and review exit survey data to learn how employees perceive goals relative to their own jobs. Often, because employees are close to the customer, they can give useful feedback about what customers want. So listen carefully to your employees; they may help you identify metrics that evaluate performance and tell you where there's a disconnect between strategy and reality. You may find employees don't understand goals or make the connection between how their roles impact the execution of strategy. Some employees may feel those goals are relevant to others, "but not to



me." By clearly matching goals with employee behavior, you clarify what each employee needs to do to drive desired behavior with effective incentives.

2. Ensure that your measurement system accurately interprets employee performance. Find correlations between performance metrics and business realities. Identify which employee actions truly affect goals, identify metrics to evaluate employees against that criteria, and invest in technology that helps employees perform effectively.

You may identify different criteria against which you want to hire, train, measure, and reward your employees. With new metrics, employee ranking can change dramatically. But if performance is accurately correlated to business goals, the order is far more realistic.

Top employee performance rankings often change when metrics are reevaluated and weighted to outcomes. Assess the "weight" of different measures to outcomes. This is a matter of

converting "apples and oranges" to "apples to apples" so you can compare different data points side-by-side.

Apply statistical analysis techniques to performance measurement. You may tap in-house expertise, such as your employee compensation group or a retail marketing analysis team.

3. Continually reevaluate your performance criteria. As your business evolves, your employees must change their understanding of success. For example, if your customer service call center needs to transform into a sales organization, your employees will need different skills, such as the ability to ask for the order and close the business. To help them get there, you must embed their new objectives into your communications, training, and measurement programs. Evaluate incentives continually to ensure they effectively motivate your people to achieve their objectives.

The goal is to make your employees feel more connected to the strategy. Also, you can shift strategy quickly based on the market information you gather while measuring performance.

4. Communicate performance goals and key behaviors. Once the key metrics and incentives are in place, clearly communicate what is expected. This should become an ongoing element of your culture, rather than something reserved for annual reviews. Ideally, this communications plan will operate on several levels, including training, group meetings, e-mail, newsletters, and posters. When employees know what is expected, and have the tools and incentives to achieve their goals, it's a winning situation.

The benefits of aligning performance with goals are considerable. In the short term, the process improves communication: management will better see how employees perceive their contributions, and employees will better see how they contribute to organizational success. They can then learn how to achieve specific goals. They have a forum to communicate if the current incentive and training plan are relevant to job success. With clear goals, each organization, team, and individual will know what success looks like. Over time, you can add great value through performance measurement. You show your value by helping your company gain useful market intelligence, achieve better investments in technology and people, and increase customer loyalty. **LE**

James McCoy is Senior Vice President of Consulting Services for Veritude. Visit www.Veritude.com.

ACTION: Improve performance measurement.

Generational Diversity

Learn to lead across the ages.



by Tamara J. Erickson

WE FORM POWERFUL impressions as teenagers. What we see when we emerge from our inwardly focused childhood and look at the world around us forms an indelible impression of how the world works—and determines what we care about.

This insight can help you be a more effective leader. These teenage impressions shape your assumptions about the world and the role of work. By looking at key issues through your employees' eyes, you'll see why their initial response is different from yours and work toward better win-win outcomes.

Four Generations at Work

Today's workplace is filled with individuals from four generations, each shaped by markedly different teen experiences and diverse assumptions about how the world works and what they want from life. These differing assumptions have implications for the role that work plays in their lives, what each expects to receive from the work experience, and how each judges the others' actions and performance, fairly or not. These perspectives changed radically from the 1950s to the 1960s and 1970s, and again in the 1980s and 1990s, yielding dramatically different expectations about the type of relationships each will form with corporations, peers, and family; about the importance and definition of financial success; and about their life objectives. These expectations have strong implications for how you lead.

Teens of the 1950s. People in their 60s today were teens in the 1950s. In the booming postwar economies of Europe and America, opportunity appeared on every corner. Suburbs were popping up, and the dream of home ownership was suddenly in reach. Factories that had made war machines were cranking out washing machines. Consumer purchases skyrocketed. If you're a teenager forming your first impressions about how the world works, what assumptions do you make? Whom would you respect and trust? What would you do with

your life? How would you measure success? The assumptions of those who grew up in this economy of grand promise and endless optimism are remarkably similar. The desire for teens of this era was to leap enthusiastically into the work world—to get a piece of the pie. Corporate leaders and government officials warranted respect. And financial success became more than a respectable life goal—for many, it also became a symbol, a measure of the degree to which their teenage desire had come to pass.

Boomers. Boomers' teen years were filled with causes and revolution. The 1960s and 1970s were decades of general unrest and discontent. The United States witnessed the assassinations of its most idealistic leaders—John Kennedy, Robert Kennedy, Malcolm X, and Martin Luther King. Boomers experienced the Vietnam War, protests, the Civil Rights movement, and, toward the end of the teen years, Watergate and Nixon's resignation. Growing up amid these events caused many Boomers to conclude that this world was not working well—and needed to change. And, when Boomers looked at the world around them as teenagers, they saw many other teenagers! Many Boomers went to high school in temporary buildings because there were not enough classrooms. Boomers have lived in a world that was too small—one that signaled the need to compete for a limited number of spots available. Hence, they tend to be very competitive.

Gen X. Gen Xers were teens in the 1980s and 1990s—a different period than the 1960s and '70s. The Vietnam War had ended, the Berlin Wall had fallen, and attention was much less focused on global events. However, in contrast to the relative quiet of the world stage, the home front for many Gen X teens was undergoing major change. Women were entering the workforce in significant numbers. Divorce rates rose dramatically. Gen X children became the first "latchkey kids"—home alone many afternoons, often depending on friends for companionship and support. Layoffs were

frequent and severe, as many firms struggled through initial rounds of re-engineering. As a result, many Gen Xers are reluctant to trust institutions and uncomfortable when asked to relocate away from their friends. Their reaction may clash with competitive Boomer bosses who may view a promotion that involves relocation as a "win." Similarly, X'ers self-reliant teen years have left many with a desire to keep multiple options open—in contrast to corporate career paths that emphasize focus and specialization.

Gen Y. Terrorism has been in the headlines through Gen Y's teen years: bombings at the World Trade Center, the Madrid and London subways, and 9/11. And, for many Y's, the violent incidents in schools—Columbine and Virginia Tech, for example—were even



more significant. These events together—unpredictable and inexplicable—have formed an indelible impression in the minds of this generation and shaped assumptions that living life to the fullest now is an important priority. A sense of impatience and immediacy is likely to be their single

most salient characteristic. Many executives complain that the Gen Y's are too impatient—too focused on moving quickly and doing exciting work from the start. Reflecting on their teen assumptions may provide insight into why they often focus on the quality of their immediate experience.

These examples show that we each operate with assumptions about how the world works and what goals we should pursue. Your generational biases may, for example, cause you as a leader to emphasize the financial rewards of an opportunity when your Gen X employees might be more interested in hearing about how the opportunity could broaden their options, providing skills to enhance self-reliance. Or, you may think that winning—being compared favorably with colleagues—would be a strong incentive for Gen Y workers, when they may care more about collaborating or the immediate learning opportunities the work can provide.

Understanding the perspectives of each generation will help you be a more effective leader across the ages. **LE**

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ACTION: Learn to lead across the ages.

Lead from the Middle

Influence up, down, and across.



by Steve Arneson

THE REAL CHALLENGE of leading people falls to middle managers. Today, it's the leaders in the middle who must communicate and execute strategy, solve problems, create efficiencies, and manage performance. This is where the leadership rubber meets the road, providing the link between the CEO's vision and execution. Fortunately, most lessons of leadership provide a blueprint for you. You've learned to clarify expectations, empower employees, and provide feedback; however, to broaden your influence and impact, you need to adopt four macro practices:

1. Do your homework. If you've come up through the ranks, you know about your team and how it impacts the company. You know your group's purpose and key metrics. But do you know much about other departments? If you're in Finance, do you know what happens in Operations or IT, and how these groups contribute to the company's success? As a leader, you need to see how the pieces fit together so that you can identify opportunities for process improvement, innovation, and revenue growth. And, you need to ensure that your department is partnering effectively with other areas. How can you best learn about other groups? Attend other departments' communication sessions. Read their postings on the intranet site. Sign up for an executive speaker event where the group's leader is presenting. Ask your manager for other departments' annual strategy presentation or progress reports. Or find a peer in that department and set up a few "cross-education" sessions. Invite a peer to lunch and explain your goal of learning more about his or her department; most fellow managers will share their group's goals. In short, network laterally with a purpose. You're not just establishing relationships and influencing other departments, you're building insight into how the company works to gain a holistic view!

2. Expand the team's horizontal view. From your vantage point, you

know that people want to learn, grow, develop their knowledge, and understand the organization. You also know that sharing information makes them more engaged and helps spark innovation. Beyond promoting the corporate university and encouraging individual self-development, take the team on a new learning journey—one that gives them insight into how their work impacts the rest of the organization.

At your next team meeting, invite a leader from another department to share their groups' structure, goals, and challenges. Leave time for Q&A, and ensure the leader outlines how your department can help make them more successful. Create a "shadow program" with another department, assigning employees to spend a day with a peer learning about that team's work (perhaps this can



be a rewards-based program for top performers). Take advantage of internal customer immersion programs, so your team knows what it's like to interact with customers. Invite key employees to observe your cross-functional meetings to see how you interact with your peers. Engage the team in brainstorming key service metrics, and assemble a balanced scorecard of how well they're partnering with other departments. You can show your team how they fit into the larger picture in many ways. Structure what will work best for your group. Your goal is to get your people looking left and right—building a commitment to greater partnerships. When employees better understand how their work makes a difference, they'll raise their game and create a stronger company.

3. Make a vertical connection. Also connect the team by creating a strong vertical link to your department's purpose and goals. As a leader, you are responsible for communicating the

department's mission and objectives, and connecting those with the company's strategy. Aligning the team vertically takes discipline and perseverance.

Information needs to be communicated many times in multiple ways to be fully absorbed. You'll need to over-communicate in creative ways to keep your team connected to the mission. Hold regular update meetings with the team to share the strategy, and brief the team on the latest metrics or results. Invite senior leaders to your team meetings to talk about the department's goals, and encourage employees to ask questions. Assign employees to make presentations to their colleagues about their group's goals and progress. Use your intranet portal to post the strategy, goals and objectives, and update them. Quiz direct reports regularly about the key components of the mission and strategy. Establish "skip-level" meetings for your people to have conversations with your manager about the strategy. Invite the CEO to your meetings to share how the company is performing.

Keep the mission, goals and strategy top of mind for your team. Ensure that your employees know why they're coming to work each day, and how their work is helping to achieve department and company goals.

4. Represent your best talent. Beyond connecting the team to the mission (upward alignment) and exposing the team to other departments (lateral learning), you must focus down, on the team (serving others). You already know several best practices for motivating and inspiring the troops, and you're likely good at coaching and developing your best players. Now let your top performers shine on their own to influence how the rest of the organization views your top talent.

Take your best people to meetings with your managers or senior leaders, and let them make the presentations. Send them to cross-functional meetings. Make sure they're getting exposure to other leaders by pairing them with mentors. Represent them at talent review meetings or in conversations with the CEO. Let them lead key portions of your meetings with the full team, or lead committees. Recommend them for new assignments. Be known as a net exporter of talent.

By excelling at the four practices, you maximize your leadership impact. **LE**

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ACTION: Excel at these four practices.

Role Models

Follow these leaders.



by Johnson A. Edosomwan

ROLE MODEL LEADERS inspire other people to take a journey to a destination that they may not otherwise pursue. They provide clear direction, goals, and a path to enable people to achieve the vision and agenda. They cultivate 10 attributes:

1. Legacy of excellence. They're motivated by creating desired results and leaving a legacy of performance excellence. They evaluate the current and future needs of the organization and its stakeholders, and examine the strengths, opportunities, capabilities, and challenges to boost performance. They create the vision, means, measures, resources, and commitment to achieve the desired legacy.

2. Vision, mission, and goals. The defined vision, aligned with the mission and results-oriented goals, directs people toward the future. Vision defines the future image, the journey, path, and outcomes. It's an expression of what the mission will look once fulfilled. The vision is rooted in reality, and yet explores future potential and possibilities. Vision, mission, values, and goals guide activity. Goals that are aligned with vision and mission produce the best results. Vision provides stakeholders with a clear picture of a desired future, an idea of what the organization could look like in five years. Vision is a dynamic picture, providing the context for handling changes necessary to achieve stretch goals.

3. Partnership for progress. They help stakeholders (customers, suppliers, process owners, union members, employees, and others) to succeed. They execute positive performance improvement initiatives, tools, programs, and practices to exceed the requirements of stakeholders. Customers, suppliers, and other stakeholders are seen as business partners in the quest for achieving performance excellence. Measures of performance are developed by process owners, customers, and suppliers and monitored periodically. Action plans are implemented to improve performance. Monitoring and feedback mechanisms and measures—such as quality of prod-

ucts and services, productivity, one-on-one contact with customers, surveys, and process measures—are used to ensure that stakeholders' requirements are met.

4. Self-empowered leadership. Role model leaders lead by example, are self-assured, and empower themselves and subordinates with resources, vision, motivation, commitment, trust, integrity, knowledge, attitude, ability, skill, experience, training, results, and loyalty to support the organization's mission, values, and expected deliverables.

5. Dedication and results-orientation. Role model leaders are dedicated to the mission and vision and committed to leading their teams to achieve results. They set positive examples

in adhering to organizational values, beliefs, procedures, and policies. Role model leaders do what it takes to provide excellent service to the customer. They focus on implementing all aspects of performance measurement, evaluation, planning, and improvement.

6. Team players and motivators. Role model leaders create a positive culture of teamwork and cooperation, bringing together different factions to accomplish the mission, goals, and objectives. They motivate themselves with accomplishment and the fulfillment of their personal legacy of excellence. They provide tangible and intangible rewards to motivate stakeholders to pursue challenges and contribute to the mission. They have empathy, compassion, and support employee growth and development. They exhibit integrity and fairness when enforcing policies, hiring, discipline, promotion, rewards, recognition, and operations. They reward positive attitudes, behavior, ethics, and habits. Their spirit of teamwork transmits new energy to others who need it to move to improve performance.

7. Self-accountability for results. They have the technical and administrative skills and experience to manage their own work units and processes. They seek to improve the policies, processes, and procedures to ensure customer satisfaction and performance excellence. They are problem-solvers who manage by data and facts, and utilize their experience and skills to identify problems, seek data-driven solutions, and implement them effectively. They are movers, shakers, and doers. They manage the performance

process by involving all stakeholders to deliver results. They take personal responsibility and accountability for performance seriously. They share the rewards of performance improvement.

8. Effective communicators. Role model leaders are excellent communicators, facilitating open and honest dialogue between peers, managers, subordinates, customers, and suppliers. They listen effectively, give instructions, ask questions, give feedback, and provide input. They spend time on one-on-one communication with others. They attend work unit meetings regularly and participate in discussions between staff, peers, subordinates, and superiors. They are responsive—providing information, replying to customers, answering questions promptly.

9. Coaches, counselors, and nurturers. Role model leaders help others learn and grow. They share their wisdom, knowledge, experience, abilities, and skills to facilitate this process. They act as coaches, counselors, and mentors to employees. They address

performance and behavioral issues with sensitivity, but with a sense of urgency that motivates other team members. They create learning organizations. They are sensitive to employee needs, creating a nurturing environment where employees can grow, develop, and prosper. They build self-esteem and confidence within the team, never victimizing others.

10. Positive assumptions about people and diversity: Role model leaders see people as assets and key resources for processing inputs, solving problems, and making decisions, and producing acceptable outputs and outcomes. They see people as intelligent, creative, knowledgeable, loyal, capable contributors. They believe that all stakeholders are partners in helping to achieve the mission. They believe in diversity and the unique abilities of each individual and their contributions. They treat employees and other stakeholders with respect and as valuable contributors to the mission. They actively listen to others without interruption, prejudice, judgment, or reservation, and as the acknowledgment of the worth of others' time. **LE**

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