

LEADERSHIP Excellence

Warren Bennis



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

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FEBRUARY 2009

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Leadership Consultant**



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—WARREN BENNIS, AUTHOR AND USC PROFESSOR OF MANAGEMENT

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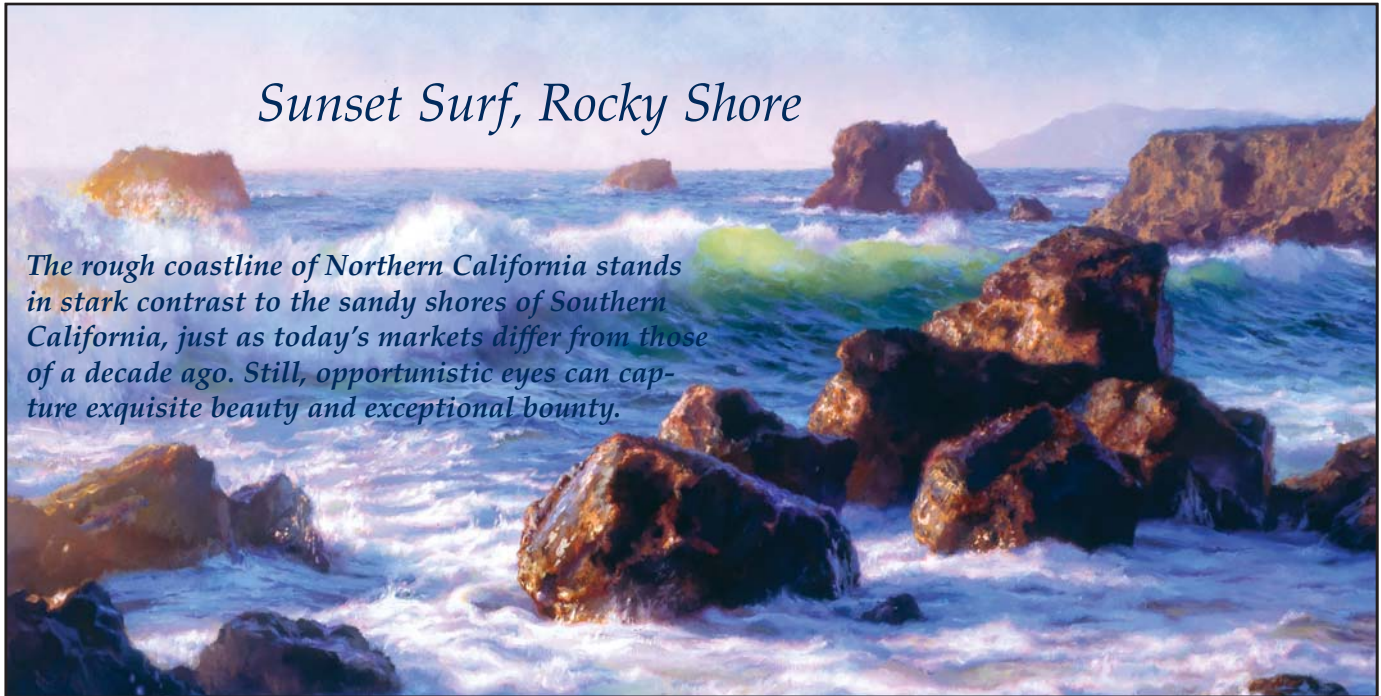
THE MAGAZINE OF LEADERSHIP DEVELOPMENT, MANAGERIAL EFFECTIVENESS, AND ORGANIZATIONAL PRODUCTIVITY

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Sunset Surf, Rocky Shore

The rough coastline of Northern California stands in stark contrast to the sandy shores of Southern California, just as today's markets differ from those of a decade ago. Still, opportunistic eyes can capture exquisite beauty and exceptional bounty.



WARREN BENNIS

Why Transparency?

A lack of candor in the culture kills trust 3

PATRICK LENCIONI

One Too Many

You need to right-size the leadership team. 4

MARSHALL GOLDSMITH AND PATRICIA WHEELER

Preparing for Crisis. 5

ANNIE MCKEE, FRANCES JOHNSTON AND SUZANNE ROTONDO

We're Wired for Hope

Resonant leaders nourish themselves daily 6

TOM PETERS

Tough Times

Set an action agenda. 7

KEVIN FREIBERG AND JACKIE FREIBERG

Leading Up

You can start doing 10 things now. 8

HOWARD M. GUTTMAN

Issue Management

High-performance leaders resolve tough issues. 9

BARRY CONCHIE

Strengths-Based Leaders

The most effective teams embrace diversity. 10

DIANNA BOOHER

Language and Leaders

They are closely linked. . . 11

PAUL HERSEY

Situational Leaders

Use the SL model in your leadership. 12

LEONARD L. BERRY AND KENT D. SELTMAN

Generous Leaders

Create a culture of generosity. 13

JIM HAUDAN

Great Management

It's about aligning people to then execute strategy. 14

BILL ADAMS AND CYNTHIA ADAMS

Transformation

Become and do something different. . . . 14

JOHN BAKER

Planning Is Everything

But plans are nothing . . . 15

MYRNA L. BAIR

Leadership Journey

Take it in progressive steps or phases 16

MICHAEL M. GRANT

Spot Coaching

Start developing leaders along the way. 17

JOSEPH S. NYE, JR.

Smart Power

It's a combination of soft and hard power . . . 18

WALT MCFARLAND, BRIAN VANDER MAY AND LORI ZUKIN

High-Octane LD

Accelerate development of your people 19

PATRICIA NAZEMETZ

WorkForce 2020

Learn to leverage four generations. 20

Rough Climbs and Tough Times

Exemplary leaders excel by exceeding expectations.



by Ken Shelton

MANY TEAMS AND ORGANIZATIONS still struggle to create and implement an effective leadership development (LD) plan, program, or process.

I was asked recently to give a short, 10-minute presentation on what one global organization might do to enhance its LD.

After assessing the history and current status of its LD, I concluded three things: 1) by *leadership development*, this organization meant the periodic training of C-suite executives and line managers in their roles and duties; 2) their expensive new hires and young hi-pos received more much attention (and development dollars) than their loyal, prime-time staff and functional role players; and 3) most members of the organization received little, if any, on-going, disciplined personal or professional development. Hence, about half of the organization was highly disengaged.

Three Recommendations

I then recommended that they take three steps: 1) redefine *leader* to mean *every person* in the organization; 2) start a low-cost but disciplined, system-wide development program that is *not* centered on meetings, conferences, and expensive events; and 3) center their LD on a principle, model, guide or plan.

I suggested that they adopt and adapt the *Personal Excellence Plan* (PEP) and *Leadership Excellence Guide* (LEG) that we published in December—or find or create their own model, guide, or plan.



You can access these guides on our website, www.LeaderExcel.com.

Why Start with a Model, Guide or Plan?

Any and all training and LD needs to be aligned with the vision and strategy and connected to a central idea, principle,

model, guide or plan. The PEP and LEG are templates, designed to assist you in creating or improving your personal development plan (PEP) or your LD plan (LEG). Using them will save you much time and money and, conceivably, add millions of dollars of value to your development programs.

The Leadership Challenge

Last August, I attended a *Leadership Challenge* event in Denver, featuring the coauthors of the classic *Leadership Challenge* book by Jim Kouzes and Barry Posner (published by Wiley). I've always liked their point of view: "We believe leadership is everyone's business!" By that they mean that there are countless opportunities to make a difference, and now is the time for people to seize those opportunities that lead to greatness: "More than ever," they say, "there is a need for leaders to inspire us to dream, to participate, and to persevere."



Jim Kouzes



Barry Posner



The *Leadership Challenge Model* consists of five practices of Exemplary Leadership: 1) model the way; 2) inspire a shared vision; 3) challenge the process; 4) enable others to act; and 5) encourage the heart.

"The Leadership Challenge is about how leaders mobilize others to want to get extraordinary things done. It's about the practices leaders use to transform values into actions, visions into realities, obstacles into innovations, separateness into solidarity, risks into rewards, and challenging opportunities into remarkable successes."

Cheering for Your Success

Along with Warren Bennis, Pat Lencioni, Marshal Goldsmith, Tom Peters, Dianna Booher, Paul Hersey, *leader-of-the-month* Patricia Nazematz (Xerox) and the other distinguished contributors to this issue, I cheer you along the way of your leadership excellence journey.

LE

Ken Shelton
Editor since 1984

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Full view of table of contents art.



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Why Transparency?

A lack of candor kills trust.



by Warren Bennis

TODAY, AMERICA IS IN the midst of a deep recession. Again, the current economic downturn followed a bubble. This time, houses were the object of the public's frenzied buying. After soaring to absurd heights, prices of American homes are now in free fall, with sale signs blighting entire neighborhoods and jobs vanishing by the hundreds of thousands.

These problems were no act of God. They resulted from lack of leadership at every level, including failures by government officials and those heading the banking and financial services industries. Crises reveal leadership as well as require it.

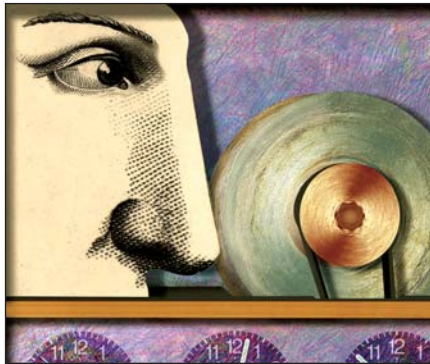
In the past, an economic catastrophe could usually be contained within the nation's borders. Now we are all citizens of an interconnected world with a linked global economy. The crisis had been triggered by the freezing up of credit markets; that had been caused by sub-prime mortgages that an under-regulated financial industry bundled and sliced into complex new securities that plunged in value. The shaky new instruments were born in the United States. But when they suddenly lost value, investors in Brazil, Ireland, Bulgaria, South Africa, China, and Qatar also felt the pain. Our institutions and interests are so intertwined that what happens in Iowa can hit Shanghai like a tsunami. With the economic dominoes stretched around the globe, greed and wrongdoing in one quarter can cause trouble anywhere.

In recent decades, Americans have rarely had to face such grim evidence that their leadership had failed. We were shocked at the fragility of the economy, and shaken in our confidence that our leaders could fix the problem. Thoughtful people were not troubled by some jingoistic fear that the United States was losing its status as world superpower. Rather, many had an uneasy feeling that our best days were behind us. The dollar had become so weak against the euro that many U.S. citizens were foregoing European travel. Once a badge of honor, a U.S. passport no longer

guaranteed a friendly welcome. And Americans were battered by nonstop criticism from European and other allies.

Even as this country grappled with self-doubt, other nations were feeling newly empowered. No country is jacked up higher on its nascent sense of global clout than China. It is now embracing on a breathtaking scale the technology that defines our time.

We need leaders now as never before, and yet we're in the midst of a leadership crisis. Sadly, because of a reflexive lack of transparency, we know little about the mechanics of these failures. That lack of transparency constitutes a serious problem. Without knowing *how* things fail (or even knowing *what* things fail), we'll be seriously handicapped to change things for the better.



As president, George W. Bush was an example of a particularly dangerous kind of leader—one with limited ability, great certainty, and enormous power. Indeed, no aspect of Bush's leadership was more striking than his assumption of unprecedented powers to the detriment of the Legislative branch of government. While in office, Bush used so-called "signing statements" to change more than 1,100 sections of newly passed laws. In these signing statements, Bush asserted that sections of the law should be ignored because they unconstitutionally constrained presidential power.

Much of the credit or blame for the administration's extraordinary extension of presidential power goes to Bush's vice president Dick Cheney, who quietly and assiduously transformed his office from one of legendary insignificance to a virtual shadow presidency.

Cheney upgraded his job description without waiting for a change at

the top. Like the Wizard of Oz, he toiled out of public view, tirelessly influencing such momentous decisions as the nation's oil-centric energy policy, going to war with Iraq, adoption of "enhanced interrogation" techniques, and exceptional lack of transparency.

As someone who has advocated candor and transparency for half century, I'm convinced that opacity in government is the organizational equivalent of hardening of the arteries. Opacity blocks the free flow of information, the *sine qua non* of informed decision-making and organizational health. Without candor and transparency, teams and organizations sicken and fail.

The president valued loyalty above candor. No leader becomes great unless he or she accepts, even embraces, candor. Candor performs many invaluable functions. It keeps the leader from disappearing into an isolation booth, built and guarded by yes men. It forces the leader to listen to unpleasant truths, and thus helps insure that he or she has all the data needed to make informed decisions. We tend to admire leaders who act decisively on the basis of gut instinct. Sometimes gut reactions are a wise, efficient response that takes into account many insights and pieces of data that are hard to articulate but are relevant nonetheless. But gut reactions are often nothing more than hasty choices based on too little information. Bush's well-known confidence in his gut will give intuitive leadership a bad name. That should benefit us all.

Candor needs to be reciprocal: it needs to operate both up and down since followers also have a need to know. Leaders sometimes try to confine important information to the executive suite. They treat it as an executive perk, like the company jet. But whenever possible, information should be shared. Obviously certain trade and national secrets must be kept. But most information is not sensitive, and sharing it enables followers to make informed decisions and act accordingly. Those who are given information are brought closer to the heart of the organization. Morale improves, often boosting performance. Alternatively, lack of candor lowers morale. The worst scenario is one in which people are given false information. The follower who discovers he has been lied to is never the same. Thus are enemies born.

A vivid case in point is Scott McClellan, one-time press spokesman for George W. Bush and faithful supporter. Then he discovered his superiors had lied to him about White House

involvement in the politically motivated ousting of CIA agent Valerie Plame. Their lack of candor caused McClellan to mislead the White House press corps and other media. Even more devastating for him was the president's belated admission that he had green-lighted selective leaking of classified information.

Once a reliable agent of opacity, McClellan was transformed by the president's revelation. When he published *What Happened*, the former press liaison behaved as one who felt he'd been betrayed by those he once trusted and admired. McClellan became a convert to candor, with zealous commitment to his new faith. He argued that the White House needed a new deputy chief of staff whose job would be to "make sure the president is open, forthright and working to transcend partisanship and achieve unity." The new deputy chief would have three assistants, including one whose mission was to promote and protect transparency and insure that information was classified for reasons that served the national interest, not simply "to protect the administration from revelations that are embarrassing or politically inconvenient."

It's important to *scrutinize* the former president, not to *demonize* him, but to learn from his negative example—to extract key lessons in how *not* to lead. One of Bush's major failings was his overriding commitment to an ideology rather than to principled pragmatism. In foreign affairs, Bush acted in the fervently held belief that democracy is universally desired and desirable and will ultimately triumph. That ideology proved ill-adapted to the Middle East.

One destructive force was the corrosive drip of privatization unchecked by effective oversight. It caused the outsourcing of much of the war in Iraq, inadequate oversight of the financial sector and other industries, and stealthy semi-privatization of Medicare and other government programs. The administration's overt partisanship also harmed the Justice Department and other traditionally apolitical departments striving to be meritocracies and further polarized the country.

There is a lesson here: Ideologically charged approaches rarely solve complex problems. Knowing that every problem is thorny in its own way, great leaders don't try to impose an ideological template; rather, they inclusively and collaboratively find solutions that reflect the unique realities at hand. LE

Warren Bennis is founder of USC's Leadership Institute and coauthor of *Judgment (Portfolio)*. Visit www.usc.edu.

ACTION: Increase your transparency.

One Too Many

Right-size your leadership team.



by Patrick Lencioni

RIGHT-SIZING HAS TO be one of the more detested words in business language, mostly because it often indicates a lack of courage. Rather than say "lay-off" or "firing," many leaders announce that they are going to *right-size* their organization, as though this will somehow change the reality of what they are about to do—eliminate jobs and let employees go.

Of course, eliminating jobs and laying people off is a reality of business; and no one can fault leaders who must make those difficult decisions—as long as they do it with discernment and gravity. However, executives often fail to right-size their leadership teams.

Many executive teams are too big. Whether they have 10 or 18 members, they become gangly and cumbersome, making it impossible to be nimble and responsive in their responsibilities to steer through rough waters, or even relatively calm ones.

The right size for a leadership team is somewhere between three and eight. Groups larger than this struggle to engage in both

advocacy and *inquiry*—two requirements of effective communication, according to Harvard professor Chris Argyris. *Advocacy* amounts to stating an opinion or an idea; *inquiry* is the act of asking questions or seeking clarity about someone else's opinion or idea. One part advocacy and two parts inquiry is a mix I like to see on teams.

When there are too many people at the table, inquiry drops off dramatically. People realize that they won't get many opportunities to speak, so they weigh in with their opinion while they have the chance. Like a member of congress or the United Nations, they won't waste their precious time at the pulpit exploring the merits of a colleague's proposal. Where is the glory in that?

But when the team is smaller, two things happen. First, trust can be exponentially stronger. That is simply a matter of physics. Second, team members know that they'll have plenty of time to

make their ideas heard, even if they do more inquiry than advocacy. This leads to better *and* faster decisions. Large teams often take three times longer to arrive at decisions that are much poorer, often the result of a grope for consensus.

How to Rightsize a Team

So, how does a leader go about right-sizing a team?

First, understand the reason for having such a large team in the first place. Too often, they put people on the team as a reward, or to placate them for another unrelated issue. "I'll put Fred on the executive committee. Then he won't feel so bad about having part of his organization taken away." Or maybe, "the merger has been painful for everyone. I'll just have two VPs of sales at the meeting. No need to alienate anyone right now." Along the same lines but for somewhat different reasons, they fall for the "inclusivity" plea—trying to demonstrate to the organization that they are open to many different opinions and that they value everyone's input.

Create a new team, starting from scratch. Once you come to terms with why the team has grown so large, you need to right-size the team, avoiding the band-aid approach—painfully choosing people to take off the team, one at a time. If you have 12 people on the team, rather than winnowing it down to 10, try forming a real executive team with just four or five. Add one or two more if necessary, and unapologetically explain to the old team why the new one is necessary, and why you've formed it the way you did.

You can keep the old team intact for other purposes, like communication and development, but not for making the regular decisions that must be made quickly and with the right mix of debate and decisiveness. The people who are not on the new team will likely thank you. In many cases, they see and experience the dysfunction of too many members; and while there may be a temporary sting at not being on the new one, any good executive will be mature enough to see the benefits. If they aren't mature enough to do that, you probably shouldn't have had them on the team in the first place. LE

Patrick Lencioni, founder of The Table Group, Inc., is the author of eight books including the national bestseller *The Five Dysfunctions of a Team*. Visit www.tablegroup.com.

ACTION: Right-size your leadership team.



Preparing for Crisis

Overcome apathy and denial.



by Marshall Goldsmith and Patricia Wheeler

MANY ORGANIZATIONS ARE IN SUCH a crisis that it is overwhelming for leaders and managers. Headlines employ terms such as *financial crisis*, *fragile economy*, *record foreclosures*, *bank collapses*, and *nervous investors*.

As Ian I. Mitroff notes, “All leaders face two challenges—crisis management and spirituality.” They’re opposite sides of the same coin. The challenge of crisis management is to overcome apathy, smugness, and denial. The challenge of spirituality is to overcome the false perception that it is off-limits.

For 25 years, we have studied crisis management behaviors, without seeing much progress. Many leaders have made improvements in their continuity plans, procedures, and preparations. However, continuity is not the same as crisis management. *Continuity* is great for backing up workplaces, plants, computers, machinery, and operations, but it does not prepare for workplace violence, disgruntled employees, and ethical breaches. Continuity does not take into account that no single crisis is an isolated event. Every crisis is simultaneously an ethical, PR, legal, communications, and operations crisis. Unless leaders think systemically and connect the dots, they are ill-prepared for any major crisis.

Given the severity and the frequency of major crises, what keeps us from preparing better? Denial! Most leaders think that it can’t and won’t happen to them. Better prepared organizations experience far fewer crises, and they are far more profitable. Hence, crisis management is good for business.

Sadly, spirituality doesn’t fare any better. Spirituality is not about religion or forcing everyone to adopt the same belief system. It is about recognizing that when people come to work, they do not leave their spiritual sides at home. *Whole people* walk in the door everyday, and yet we often force them to fragment and compartmentalize themselves.

People are searching for meaning and purpose, and they want to find it where they spend most of their time—at work. They want to work for a good purpose and for an organization that is ethical and treats them with respect.

Organizations that effectively address the spiritual needs of their employees and stakeholders are more profitable and productive—and they are happier places in which to work. How are these two challenges related?

Every crisis is a spiritual crisis. Any crisis raises deep questions about the goodness of the organization and the people (especially leaders) in it. It challenges our deep assumptions about the purpose of the organization and our places within it. Is the crisis our fault in any way? Did we bring it upon ourselves? Would it have happened if we



had tried harder or had better programs?

In challenging times, if we can serve the greater needs of all connected with them, we will become better. If we do not, we will stagger from crisis to crisis.

Managing in Tough Times

With the Wall Street pendulum swinging, high unemployment rates, and regular waves of uncertainty, many of us are experiencing stress and worry.

Stress is the body’s response to change—something we experience daily, often without noticing. Successful people train their minds and bodies to ignore it. We’re often proud of how much stress we can bear without flinching. But beware: stress has an impact on us, both physically and attitudinally, whether we know it or not.

When we are under stress, messages from the brain travel between nerve cells with help from chemicals called neurotransmitters. When we feel threatened, the body’s defensive

mechanisms go into action, releasing the hormones adrenaline and cortisol, designed to help us cope with physical threat. When continually produced in response to chronic stress, however, they become “unhappy chemicals.”

Think about your own reaction to stress. How does it appear for you? Edginess, irritability, low motivation?

Our fight-or-flight response is useful when we face dangers or specific threats; when these are vanquished, we can relax and bask in the “happy chemicals” produced by our brains. But when we face market fluctuations, business failures, shrinking retirement accounts—stressors that are chronic or vague—we may not have this relief. Hearing about a good Wall Street day doesn’t ease our concern about our bank failing or our company being acquired.

Some stress is facilitative: we perform better under moderate pressure. Beyond a certain limit, however, stress becomes toxic and results in lower resilience, performance, and resistance, and more derailing behaviors.

Even stress of short duration puts our bodies on “high alert” and often leads to a state of chronic inflammation, increasing our sensitivity to allergens and diminishing our body’s ability to respond to infection.

To maintain a sense of balance and optimism during difficult times, we need to be aware of the effect that unwanted change has on our physical and psychological well-being, and help our brain respond to stress in an adaptive way. Here are three actions steps:

- **Find a way to laugh at yourself or at something in your situation.** Life may indeed be difficult. The key is to create a healthy distance from difficulties; at best, this may enable you to see additional possibilities and perspectives; at least, you may avoid burnout.

- **Nourish your body with exercise, sleep, and healthy fluids.** Stress is a full-body experience and requires full-body interventions. Ruminating on the couch is the worst thing you can do.

- **Believe in something greater than your self.** For some, this involves spiritual or religious pursuits. For others, this may involve commitment to a community. Such active involvement increases optimism and resilience.

Monitor your stress and find ways of increasing the “happy chemicals” in your brain to boost your resilience. **LE**

Marshall Goldsmith helps leaders achieve positive, measurable change. He is the author of What Got You Here Won’t Get You There and the new book Succession. Patricia Wheeler is an executive coach and managing partner in the Levin Group. Email Patricia@TheLevinGroup.com or call 404-377-9408.

ACTION: Boost your recession resilience.

We're Wired for Hope

Resonant leaders nourish themselves daily.



by Annie McKee, Frances Johnston and Suzanne Rotondo

ARE LEADERS BORN OR MADE? THIS question continues to plague the leadership field. The answer is definitively both, and neither. The best leaders capitalize on their natural strengths, and they intentionally develop their capacity for emotional intelligence, resonance, and truly great leadership.

You may be predisposed to a few traits that set great leaders apart, such as a tendency to be optimistic, but far more capabilities are cultivated and require attention to be sustained. For instance, skills such as moving people toward a hopeful and inspiring vision, being transparent and adaptable, or acting as a great coach can be learned.

What Is a Resonant Leader?

Resonant leaders focus on learning and development. They operate from a profound sense of hope, based on a vision of a better future and belief that, together, we can and will make it happen. They inspire more commitment, resilience, and compassion in people around them. They have empathy for their people; understand their needs, desires, and challenges; and act on this knowledge. They are unflagging in their commitment to their own values, without being blocked by narcissistic ways of viewing the world. They link their own and other people's personal values, sense of purpose, and life vision to what they can contribute today for the good of the organization, community, nation, or world.

Resonant leaders are attuned to themselves and to others; they know that people are at their best when fully engaged: body, mind, heart, and soul. They create cultures where people thrive, while holding them accountable for high performance. And resonant leaders are self-aware: they know that they need to manage their mental, emotional, and physical health; and they develop regular practices that help them to remain mindful, renewed, and rejuvenated.

A Process of Intentional Change

Resonant leadership sounds like common sense, but it's not common practice. Why? People are not born knowing how to create environments ripe with hope or to mobilize energy to create inspired teams. So what can we do? What must we pay attention to?

You have to start with yourself. Leadership development without personal development is shallow at best. Resonant leaders never stop learning.

To use their power effectively, leaders need to understand why they took on leadership roles to begin with, what moves them to stay engaged, and what they need to do to reach their dreams and become more effective.

You can start by asking three questions: 1. What motivates me to lead my team? Upon what values and beliefs is this based? 2. When I look back at my



life, how I will have contributed to the quality of life for the people around me and to the planet? 3. As I think of my ideal self and life, how will who I am today help me get there? What might I need to learn or do differently?

To develop new abilities or behaviors, we need to reconnect with what is most important to us, and imagine and articulate who we could be at our best. Only when we get in touch with our deepest desires do we have the energy, motivation, and courage to change.

Research in neuropsychology makes the link between hope and personal development and change even more explicit. We are *wired for hope*. A set of positive emotional reactions are set into play when we connect to a future state that is exciting to us. It not only feels good, it improves our cognitive functioning and our ability to stay engaged with our change plan in the face of setbacks. To realize our aspirations, we

need to start with our dreams and consciously manage change.

Intentional change: focus on your dreams; assess the reality of your current situation; plan for change, and act on your plan. If it's this simple, why aren't there more resonant leaders? Most people focus on the wrong things. They look at *what leaders do*, rather than *how they should do it*. They focus on improving skills related to strategy, execution, and resource control. Resonant leaders do this, and they focus on self-awareness, learning how to move people, and building their capacity to engage people in a long-term commitment to collective goals.

Move Beyond Three Myths

Resonant leaders understand the complexity of leadership. They move beyond some simplistic myths about what good leaders need to be and do.

Myth 1: Smart is good enough. Intellect and technical knowledge are baseline competencies—they don't differentiate great leaders from the average. Emotional and social intelligence makes the most difference.

While you need a certain IQ and technical skills to lead, IQ is simply baseline. Competencies associated with emotional and social intelligence are the critical factors. *Emotional intelligence* enables leaders to manage their own internal responses, moods, and behavior. *Social intelligence* informs how we understand and interact with others. Leaders who have emotional and social intelligence are more effective; they leave people around them feeling valued, stronger, and more capable.

Myth 2: Your mood doesn't matter. Emotions are contagious. You can create a resonant climate that fosters success, or spread emotions that create a dissonant, unproductive, and unhealthy climate that results in low morale and low performance. Or, you can create a resonant environment that sparks creativity, energy, and productivity.

Emotions drive people to think and act, and leaders' moods may matter most of all. Socially, we are designed to pay close attention to power and take our cues from leaders; thus, leaders who ignore the impact of their moods on others do so at their own peril.

Myth 3: Good leaders can take constant pressure. Sacrifice and stress are inherent in a leader's role. The best leaders recognize the toll this takes on them and use renewal practices to help sustain their energy and enthusiasm.

Demands on leaders are relentless, wearing them down and causing them

Tough Times

Here's a bit of advice.



by Tom Peters

FRUSTRATED AT THE negativity in the air, I compiled a few tactics for coping with this most disruptive era. I here synthesize some of my most compelling messages into four themes: *Excellence, Opportunism, Visibility, and Transparency.* I hope these insights will inspire your own action agendas.

Excellence: *Get on with doing the business you have and see it through brilliantly. Stick to the basics. Keep it simple! The devil's always in the details.* When it comes to basics, *cash flow and customers* come near the top of most agendas. In a down economy, you need to stay focused on the lifeblood of your business—cash—and rediscover the lost art of authentic value creation. Good habits can turn customers into a

cadre of unofficial marketing evangelists and keep your business in the forefront of their radar screens. Are you doing all you can to ensure that your resources are deployed on the products and services in your portfolio that create the most value for the customer? Are you making it clear to everyone who works with/for you that the fulfillment of the customer work you *do* must embody the highest level of excellence that you can collectively achieve?

Opportunism: *Opportunism—there may be a lot of room for it—will pay off through speed off the mark and excellence in execution.* Like London buses, recession and business opportunities often come along at the same time! Virgin Chairman Richard Branson is talking to interested parties about a possible bid for London's second largest airport, Gatwick. So, it's "opportunity knocks" in recessionary times for Sir Richard! Do you see opportunity?

In tough times, few employers see their current and former employees as assets. Yet this downturn may be your best chance to win some people back!

Are you thinking laterally about opportunities and needs being manifested in your marketplace? Are you thinking laterally enough about your

talent pool, and using the recession as an opportunity to attract the best?

Visibility: *March toward the sound of the guns. MBWA (Managing By Wandering Around). People have to see who they are working for and who they are dealing with.* Treble your MBWA: *A year from now you may wish you had started today.* Yes, today many of us wish we had wildly over-invested in employee-vendor-client-community relationships when the market was heading North and there was a little slack in the system. Well, perhaps you didn't, but it really is never too late. Work the phones. Keep working the phones. Keep showing up. Call clients and suppliers, ask them how things are going, and how you can help. This is not about sales (directly), but about showing up—taking time from your busy affairs to offer assistance of any sort. This is even more important with employees. Over-inform—rumors are worse than reality. Over-do the MBWA.

Are you tracking numbers of customer, prospect, and networking contacts in your reporting and recognizing those people who are working hardest on relationships? Have you adopted

"face to face" as the management medium of choice for delivering tough news to employees, colleagues, and partners?

Transparency: *Be absolutely straight with people, especially those at the front line. People who play the blame game in any way, shape, or form are out of here!* It's hard to find an

example of a business facing up to the challenges of tough times, while staying true to its people principles. In San Antonio, Texas, the downturn forced Toyota to close their plant for three months, but Toyota redeployed workers on community work, retraining, and education classes, reports Latondra Newton, GM of Toyota's Team Member Development Center.

Daniel Goleman identifies "the crisis of accountability" and contends that transparency, social and emotional learning, and leadership must take a higher profile on the leader's agenda.

How can you strengthen your people and culture and keep people informed of emergency plans and strategies? Stay tuned in to the emotional temperature of your business. **LE**

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ACTION: Set your own action agenda.

to lose effectiveness or burn out. This cycle is called *The Sacrifice Syndrome*. Since emotions are contagious and we take our cues from leaders, dissonance can spread, even with good intentions.

To counteract *The Sacrifice Syndrome*, you can develop personal strategies and practices to relax, renew, and rejuvenate regularly. You can mindfully engage in practices that spark hope and compassion. These experiences trigger physiological changes that support sustainable emotional and mental health and a resonant environment.

Developing Your Personal Strategy

To lead with hope, apply four tenets:

1. Work on your aspirations. What are your personal hopes, dreams, and aspirations for the next five years? Leading from this place will give you the focus and inspiration you need to look at who you are today, and what you need to do to become the person and leader you most want to be.

2. Notice—and care about—how your behavior impacts other people. People pay attention to you. What you do matters. It affects how people feel about their jobs, about you, and the organization. Think about the norms you model. Do they create resonance or dissonance? What team values and behaviors would enable you to meet goals and objectives, to achieve a vision for the years to come in a manner that you expect? It starts with you.

3. Pay attention to relationships. Leading is a relationship. It all comes down to people. Get to know what they want, what they believe they can contribute, and create a culture to tap into that potential. Share your values openly, and let people know what matters most to you. Tell them—and show them—why they should follow you, and how you care about them.

4. Create ongoing practices of mindfulness and renewal. You're smart and resourceful, but even the most resilient leader needs to take time outs. Attend to your mind, body, heart, and soul weekly, even daily. Nourish yourself in ways that are most meaningful to you. It is from this place that hope springs.

Resonant leadership is within your reach. Focus on your aspirations. Reach for your personal ideals. Spark hope, in yourself and others. This is the secret to better leadership—and a path to a more fulfilling life. **LE**

Annie McKee is coauthor, with Fran Johnston and Richard Boyatzis, of *Becoming a Resonant Leader* (HBS Press), an executive coach, and co-founder with Fran Johnston of Tealos Leadership Institute. Suzanne Rotondo is Executive Director of TLI and former Senior Editor at HBP. Visit www.tealosleaders.com.

ACTION: Become a resonant leader.



Leading Up

Redefine the game.



by Kevin Freiberg and Jackie Freiberg

MARKETS ARE IN A PANIC. WE'RE UNDATED with gloomy news. Panic sets off a chain reaction, and the situation intensifies. Times are tough, budgets are tight, and people are anxious.

How do we begin to get our arms around this crisis and motivate others to do the same? How do we move toward a solution that protects our well-being? We are not economists, but we do know how gutsy leaders think and act. Gutsy leaders are game changers; they redefine the game, the field, the rules, and even the competition.

Here are 10 things you can do:

1. Focus on what you can control.

The financial world has turned upside down; uncertainty distracts and derails us. You can increase your effectiveness by simply asking, "At this moment, given this situation, am I focusing on something I can control, or am I obsessing over something I can't control?" Focusing on the things you cannot control is a waste of energy. It drains you and leaves you with less time and energy to focus on the things that will make you more productive. So, don't let things outside your control take up too much mental space—concentrate on what you can control or influence.

2. Step through fear. Panic and fear hinder you from thinking rationally. No one is exempt from fear. In fear we hesitate, procrastinate, rationalize, make excuses, and live more cautious and less fulfilling lives. Fear deadens our spirits. Fear says, "No! Stop. You can't." Yet fear confronts us with a choice. We can choose to face what we fear, or to let fear run our lives. Stop running from *No*, and start running toward *Yes*. Stop getting ready—*do something now!* You can't move in neutral; to make a difference, you have to shift into gear. Don't get stuck in neutral or accept "No" as an answer. Embrace a *do something now* mentality. What's your bigger *Yes*? How can you step through your fear toward your bigger *yes*?

3. Stop ruminating over bad news.

Rumination is obsessive analysis; it's mulling over bad events again and again. Both optimists and pessimists do it, but optimists tend to push the eject button much faster. Pessimists tend to hang on and "overanalyze" longer, feeding on helplessness, depression, and paralysis. Know what's going on, but stop ruminating about how bad things are. You can choose who you listen to, what you listen to, and how often you feed on what others are saying. Monitor and limit the intake of news and people who zap your optimism and hope.

Change your focus. Stop moaning and overanalyzing everything; keep it simple. Read a biography about a hero, a successful person, or a business that is booming. Perhaps their story will inspire big dreams, imbue a desire to accomplish more, or change your perspective.

4. Communicate more than you think is necessary.

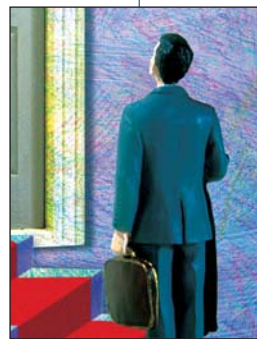
In the absence of accurate, consistent information, people make assumptions. Business failures and personal crises are zapping morale. Low morale kills productivity. Now is not the time to be alone, cancel meetings, or cut your training budget. People need communication, conversation, and a chance to share fears, frustrations, challenges, and coping strategies. When people are fearful, they are more interested in learning. Get creative—host informal get-togethers where colleagues can share and learn investment ideas, budget tips, and savings strategies. Talk about how you can redefine the customer, the competition, and the rules for how your services and products are delivered. What information can you bring to the team that might inspire a game-changing contribution?

5. Expand your capacity to grow and change. You can either embrace change courageously, or become a *Dead Person Working!* How can you become more flexible and move forward with speed and agility? Here are *four action items*:

1. Move from "Yeah but" to "What if?" When confronted with change, rather than resisting it by saying, "Yeah, but that won't work," try asking, "What if I tried this or that and succeeded?"
2. Build a compelling reason why you should change by creating a burning platform. Ask yourself, "What are the consequences if I don't change? What

are the pay-offs if I do change and succeed?" 3. Don't assume that just because you know what to do and why you're doing it, change will be easy—real change usually involves doing what's uncomfortable. The *why* must be compelling, the *how* must be crystal clear, and the *will* is the fuel or passion that drives you forward.
4. Decide what you must do to improve your contribution to the people you serve or work with. Set three to five stretch goals. The economy, the consumer, and the technology are changing. Everyone and everything around you is getting better. Are you changing as fast as the marketplace is changing?

6. Face the brutal facts of reality and know the real target. Before you can find a solution, you have to accurately identify the problem. It's easy to point



the finger at those greedy Wall Streeters. But what about consumers who failed to embrace delayed gratification and accepted the enticement to buy a home that they could not afford? What are the hard facts telling you about your life, business, and industry? Do you accurately view your strengths and weaknesses, market realities, and your contribution? In the absence of candid feedback and accurate information, you assume a convenient reality. To get in touch with reality, ask yourself four questions: What do people like/dislike about working for our company? What major issues are we afraid to talk about? What makes us easy/difficult to do business with? What can we learn from our toughest competitors?

7. Learn how to ask appreciative questions. Your approach to a problem will determine how much energy you need to solve it. When something goes wrong, you tend to ask, "What caused the problem, who's to blame, and how are they/we going to fix it?" This often sets off posturing, finger-pointing, and justification. This zaps people's energy, derails the finding of solutions, and slows things down. Appreciative questions will lead you forward. For example, if you are losing customers due to poor performance, you might focus on what has worked in the past, think about a challenge, and how can you use appreciative inquiry to deal with it.

8. Find something or someone to be grateful for. People are angry and hurt. Gratitude is the fastest way out of being a complainer and feeling sorry for yourself. We all "drink from wells

dug by others,” but we live in a world that screams, “I owe nothing, yet I have a right to everything!” Such thinking causes us to take what we have for granted and live as if the world owes us everything. An ungrateful heart sees what is wrong with the world and cynically makes nothing out of something. Gratitude sees what is right with the world and finds something meaningful in nothing. Gratitude transforms our perspective and changes our orientation. Write down three things you are grateful for daily, and ask your team to do the same. See if your perspective changes.

9. Make sure your attitude is worth catching. Attitudes are contagious. Your world needs to be inspired. We have enough doom and gloom. We look for inspiration in every leader, and every leader looks for it in the people he or she leads. Do you bring energy and passion to the game? If you build a reputation as someone who can infuse passion and enthusiasm, you stand out. You differentiate yourself from everyone else who just shows up waiting to be inspired. Your attitude spills out of you—is it worth catching, or is it toxic? Your attitude will determine the quality of your life and relationships. How can you and your attitude be a contagious inspiration to someone today?

10. Realize you are not alone. If you are nervous and concerned, you’re not alone. Share your fears, concerns, solutions, and strategies with people you respect. This is not a “misery loves company” or pity party; it’s an attempt to learn from others. None of us is as smart as all of us. Someone you respect might have a solution or strategy that can work for you, or vice versa. You’ll never know unless you courageously share your concerns. There are only six degrees of separation (or less) between you and the beginning of a solution to the challenges you face. Network like crazy and do whatever-it-takes to build long-lasting relationships. Never burn a bridge: get connected and stay connected. Do you need to repair any bridges? *Do something now!* Set a goal to network with five new people each year and get specific about what you’ll do to stay connected.

Gutsy leaders defy mediocrity, declare war on complacency, explore the uncharted, risk the unthinkable, and do the unconventional. **LE**

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

ACTION: Try at least one of these tips.

Issue Management

Go the high-performance way.



by Howard M. Guttman

SINCE THE SPEED AT which issues are resolved can make or break your company, you need to confront the practice of “parking” troublesome issues, placing them on long lists. It’s a battle on many fronts: a culture that doesn’t reinforce accountability, reluctance to tackle thorny issues or take a stand, fear of confronting colleagues. The result is failure to avert problems and seize opportunities.

High-performance leaders of great teams clear the bottlenecks, gain momentum, and resolve issues rapidly by having a logical, disciplined issue-resolution process—such as this one:

Defining issues. In full group, the leader defines an issue as *a threat or opportunity for which some action must be taken by me and/or other members of the team.*

Identifying issues. Team members generate a list of all the issues confronting the team and/or each of them as a member of the team. The leader captures the discussion and keeps the list visible for the team.

Clarifying issues: Team members review the issues to ensure specificity, asking: Is each issue clear and specific? Do issues need to be further divided? Is the issue actionable—is it stated in a way that an action can be taken?

Setting priorities: The list of issues is reviewed to identify High, Medium, and Low priorities, by asking: What’s the *impact* of the issue—on the organization, team, department, competitive position, or completion of a mission-critical project? How *urgent* is it?

Action planning. An action plan is laid out by the team, starting with high-priority items. For each issue, the plan includes: **Selecting a subteam:** The fewest number of people required for closure. **Identifying the primary owner of the issue:** someone who is process-focused, able to depersonalize, has sufficient time, is adept at involving others. Determine major steps needed to gain closure. Agree on key deliverables. Establish timeline/milestones. Plan to communi-

cate results. Resist the jump-to-resolution temptation. “List but do not resolve” is a good rule.

Keeping it visible. “Out of sight, out of mind” is a danger to teams when trying to track issues. Great team leaders don’t allow issues to fall off the radar screen. They make sure that, once an issue is identified and an action plan made, it gets resolved, period.

To keep track of issues, create and maintain an issues log, or list of action items. A log includes the date the issue was added, a short description of it, the person responsible for resolution, the date scheduled to be cleared, and a notes column. You might list the people with whom the issue’s owner needs to partner or who need to weigh in; briefly describe the action plan; identify people who are likely to get in the way. Update the log after every meeting, or between meetings, and send the updated log, with the agenda, several days before each meeting so team members can review it, prepare questions, and give thought to issues they feel should be added or addressed.

Focusing on accountability. Designating a point person or issue owner for each issue ensures that the job will get done. Each time the log is reviewed, there is no hiding. The point person is accountable for reporting progress.

When you follow this issue-resolution model, your meetings are focused on specific issues; and at the end of each meeting, you decide on next steps in a follow-up plan. Holding people accountable for commitments made in meetings adds value to the process.

Accountability can mean coming forward to discuss the need for a mid-course correction: If it’s clear that the plan in place won’t lead to the desired results in the desired time, redesign the project, adding monthly milestones at which you check each team member’s progress to ensure you achieve your goals on time. If the point person fails to step up with full disclosure, peer-to-peer accountability kicks in.

As your leadership team becomes more adept, when items appear, they are handled and quickly disappear. Resolution, not stagnation, becomes the norm. That’s the benefit of managing issues the high-performance way. **LE**

Howard M. Guttman is principal of Guttman Development Strategies and author of Great Business Teams (Wiley) and When Goliaths Clash. Visit www.greatbusinessteams.com.

ACTION: Manage issues this HP way.

Strengths-Based Leaders

Most effective teams embrace diversity.



by Barry Conchie

AMID THE GLOBAL financial crisis, people are looking more anxiously to leaders for clarity, confidence, and reassurance. All too often, they find none of these things.

This makes our question—*What distinguishes successful leaders and teams from those that fail?*—more relevant.

To explore that question, our team at Gallup sifted through data looking for patterns. The first of our three key findings challenges a natural inclination to remediation.

1. The most effective leaders are always investing in their strengths. A knowledge of leaders' strengths helps them to play their strong cards in the most appropriate circumstance.

Awareness of weaknesses is important, but success is rarely the product of a focus on how to elevate weaknesses. Awareness of strengths drives high self-confidence, and people who have high self-confidence see huge gains in quality of life, well-being, work engagement, and financial success. Zenger and Folkman conclude: "We need to stop emphasizing weaknesses (and) invest more in identifying and developing strengths."

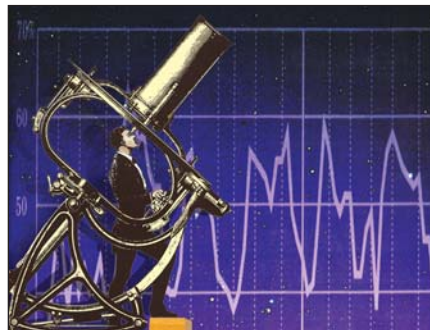
When leaders fail to focus on individuals' strengths, the odds of them being engaged are dismal (9 percent). When leaders focus on the strengths of their people, the odds soar to 73 percent. When leaders focus on and invest in their employees' strengths, the odds of people being engaged goes up *eightfold*. Given the pressures of time in the face of high demands, the best leaders don't spend most of it trying to fix deficiencies—there is little value in a journey that starts with a weakness and ends up in mediocrity.

2. Effective leaders surround themselves with the right people. The right balance in a team is rarely achieved by a focus on technical proficiency and competence alone. The best balance comes from complementary strengths. An operationally astute leader can lead more effectively in a partnership with a "blue sky", configurative thinker. In fact, the absence of this strength would

be a serious impediment. I advise leadership teams to focus far beyond technical competence and consider the personal strengths of each team member when building a team.

The best teams avoid the pitfalls of self-replication. They embrace a diversity of strengths. The most effective leadership teams have a balance of strengths in four domains—*Strategic Thinking, Influencing, Relationship Building, and Executing*. These domains are not the product of technical competence or experience. They describe the strengths necessary for effective leadership.

3. The most respected leaders engender a sense of stability, trust, compassion, and hope in followers. This key finding resulted from extensive study of followers. We wanted to discover what followers looked for in the leaders they respected and to use these findings to



help leaders create better followership. Little did we know that our findings would have such relevance to our major economic and political challenges.

Followers need security—a sense of feeling safe and protected. Followers need leaders who, despite challenges and difficulties, threats and opportunities, create *Stability*. They want leaders they can depend on. They want to see leadership behavior that is consistent and predictable over time—they don't want the false excitement of unpredictable swings in approach and behavior. Leaders who fail to appreciate these needs will face resistance. Great leaders exhibit an assuredness and certainty of behavior that followers appreciate.

Walking the talk—doing what leaders say they will do—helps meet the second need of followers—*Trust*.

However, this trust goes beyond transactional compliance to include clear and consistent values that the best lead-

ers exhibit through the decisions they take and behavior they demonstrate. The most respected leaders are more clearly aware of their values and how to convey them. Most effective leaders have certainty and conviction in their belief systems and values. Other leaders seem less keen to anchor themselves to anything definitive—and we tend to find these leaders are less effective and less able to build effective followership. Perceptions of trust in leaders have a profound impact on employee engagement. The chances of an employee being engaged at work where they do not trust the company leadership is 1 in 12. In contrast, the chances of employees being engaged at work are better than 1 in 2 if they trust the leaders.

These remarkable numbers underscore the importance of followers' third need—*Compassion*. People who believe that their boss or someone at work cares about them as a person are more likely to stay, have more engaged relationships with customers, be more productive, and produce more profitability.

Some leaders hesitate to show employees they care—driven partly by a lack of self-awareness or knowledge of how to do this genuinely. Some leaders think that getting too close to people impairs independent or tough decisions. They cite how difficult it is to terminate individuals with whom they have close relationships. Great leaders build close relationships and yet maintain objectivity in decision-making—thus reinforcing the trust of employees and the predictability of their behavior. They convey a caring, compassionate culture that cultivates clarity and focuses on performance.

Communicating *Hope* is key of leaders and a high need of followers. Leaders need to communicate a *Vision* and simplify messages to engage followers and build a sense of capability and optimism. Followers want leaders who build stability, display compassion, tell the truth, and inspire them to act. In an impending crisis, just couching a problem as solvable is insufficient. Followers want to know what value will be created, what worth will be achieved, and how long-term benefit will accrue.

The steps you should take to make the most of your strengths require no personality change or major knowledge acquisition. If you start with a healthy self-awareness, all other ingredients are likely to be in place. LE

Barry Conchie and Tom Rath are coauthors of *Strengths-Based Leadership*. Visit www.gallup.com.

ACTION: *Make the most of your strengths.*

Language and Leaders

What is the link between them?



by Dianna Booher

THE PROPER USE OF language and word choice play a big role in your ability to lead and influence others. You need only consider the current economic situation and terms for the legislation passed by Congress (“bailout plan” versus “workout plan” versus “rescue plan”) to see how language determines reactions.

The week Congress rejected the first “bailout” plan by the taxpayers, the airwaves buzzed with leaders trying to communicate their views to their constituents. Representative Ray Lahood said: “I’m told that Secretary Paulson is a genius when it comes to knowing the ins and outs of this situation, but he’s not a genius when it comes to communication. And we need people to communicate.”

Poor written and oral communication can limit your social standing, stall your career, lose a sale, derail a project, or destroy a relationship.

But it doesn’t take a financial crisis to prove the point. One Fortune-500 CEO said of one of his VPs about to be dismissed: “Roger has to go. He’s just not the type we need around here. At the next rung of the ladder, these VPs need to spend 90 percent of their time networking to bring in clients. They attend social functions, serve on community boards, entertain our biggest clients and their spouses. Roger just doesn’t have what it takes at this level. His hair looks disheveled, and his grammar grates on me. In fact, his wife is an embarrassment socially when she accompanies him to functions because her grammar is even worse than his. They’re both college educated, but he’s not polished.”

Roger lost his job because he refused to see how much his language affected others’ perceptions of his capabilities.

When communicating with your constituents, consider these tips:

1. Avoid the habit of “verbing” words. Several new words are trending into the vocabulary, many of them verbs. They are impacting the way we handle our clients, text-message our buddies, and even *incent* our employees.

Managers become adept at *globalizing* new trends and *fast-tracking* their

way around obstacles like accepted grammar usage. In fact, these managers often *incentivize* outstanding performers by complimenting them on their reports and proposals containing such usages. They often *dialogue* about important projects and hope the entire team *nets* the essentials.

Then whether *downsized* or *right-sized*, teams can *strategize* organizational initiatives, *prioritize* divisional goals, *operationalize* tactical plans, *utilize* their best resources, *marginalize* any deficiencies in their systems, *institutionalize* project outcomes, *optimize* their opportunities, *mobilize* human talent, and *capitalize* on their investments.

Dump the doublespeak and jargon. Before you add an *-ing* or an *-ize* to a noun or coin a new word completely, consider checking the dictionary to see



if a perfectly precise one already exists for the concept you want to convey.

2. Get the grammar right. Can you imagine reporting to the manager who sent this email?

Hi Team;

Just a quick up date. Wanted to let you know that the supplier, which we had chosen for the Universal project has declined to accept our contract terms. And the fact that we will be conducting another round of meetings to agree on a alternative vendor by the end of June. On another note you’re list of equipment, should be forwarded to me by May 5 however we may postpone budget discussions at the next staff meeting.

Embarrassing! Proper grammar is power to communicate clearly what you intend in order to influence people. The importance of language to career and social standing is universal. People from all cultures insist that proper language separates the wealthy from the poor, the educated from the

uneducated—and the leaders from the followers. Bad grammar is like bad breath—even your best friends won’t tell you. To check for a skills gap, take a free assessment at howyourgrammar.com.

Proper use of the language empowers you to communicate your vision and execute your plans.

3. Frame negative news positively. If your team sees the glass as half empty, you have every right—even obligation—to help them see it as half full. Instead of hiding the complete details, provide them in such a compelling way that you gain buy-in for your action plan. One seasoned CEO announced a salary freeze to his ailing organization shortly after he took the helm: After crunching the numbers, he realized that his predecessor had approved annual raises and bonuses at the expense of capital improvements, research and development, and marketing. Hence, the competition had outstripped them, and they lagged behind. He then laid out the facts and summed up:

“In most job classifications, according to industry averages, you’re overpaid—and that has led us almost to the point of demise. The good news: We’re not going to lower your salary. The bad news: We’ll not be giving any more cost-of-living raises. Any bonuses will be based on performance and contribution. We can’t afford to do otherwise or none of us will have jobs five years from now. Look at the facts. Punch holes in the information if you can. Let’s talk about the reasoning behind this decision. I’m open for questions.”

They asked. But with complete information, a straightforward explanation, and positive language about the future, the CEO gained their trust and buy-in. Today, the glass is 100 percent full.

4. Track the habit of truth-telling. Trust builds over time. It can be dashed in a flash. It repairs slowly. Not telling the truth proves stressful. Adding negative language ups the amps. Evasion and equivocation require more energy. You have to remember what you said, to whom, and when. Then you have to wonder who heard it, how you phrased it, worry what happens if someone finds out, and wonder who else understood it and read between the lines.

Daily we interact with people in sensitive situations with difficult questions. There are easy answers—and then there are truthful, difficult answers. Your power as a leader often depends on the choice between the two. LE

Dianna Booher is author of *Booher’s Rules of Business Grammar* (McGraw-Hill) and CEO of *Booher Consultants*. Visit www.booher.com or call 800-342-6621.

ACTION: Improve your leadership language.

Situational Leaders

Use the model in your work.



by Paul Hersey

A MODEL IS MEANT TO be applied in various situations. In fact, for a model to have value, it has to be used. And to be used, it must be simple.

The *Situational Leadership Model* is about being more effective as a leader. This involves matching your leader behaviors (behaviors you use when trying to influence someone else) with the performance needs of the individual or group that you work with. It is about adapting the directive and supportive behaviors you use to match the readiness of others to perform specific tasks or functions. The model is simple, it works, and achieves results.

Take Three Steps

In using the *Situational Leadership Model*, take three steps:

Step 1: Identify the specific job, task, or activity. There needs to be a shared picture of what good performance looks like in the minds of the leader and follower. More specifically, what job task or activity is the focus or purpose of the intervention? The key determinant is the person's understanding of what the leader wants done. How specific does the leader need to be? For one individual, a high specificity may be needed. For another individual, high specificity might be perceived as micromanaging.

Step 2: Assess current performance readiness. Once the task or activity is identified, diagnose the Performance Readiness of the person you are trying to influence. How ready, willing, and able is the person? Readiness is the interplay between ability and willingness that a person demonstrates for a specific task. The two variables, *ability* and *willingness*, are interactive, meaning that one impacts the other.

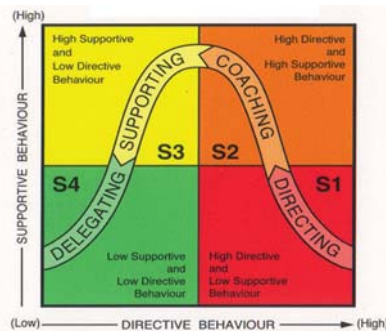
Ability is the amount of knowledge, experience, and skill that a person is currently demonstrating for a task.

Willingness is the amount of confidence, commitment, and motivation demonstrated. For instance, a strong motivation can make a person appear very willing. The interplay between

ability and willingness determines the four levels of Performance Readiness.

Level R1: Unable and Insecure or Unable and Unwilling. *Unable and Insecure* is low skill demonstration and the issue is driven by insecurity. The individual could be intimidated by the task, overwhelmed, unclear, or uncertain about what is expected and how to perform. *Unable and Unwilling* means levels of demonstrated skill are low, and the motivation and willingness to perform is also low.

Level R2: Unable but Confident or Willing. R2 suggests "not ready yet" or "ignorance on fire." In fact, on a new task, most people start at this readiness level. The confidence and willingness can come from within, from others, or by working in a healthy, safe



environment. A person may be "unable" simply because they haven't performed the task or had a chance to demonstrate ability.

Level R3: Able but Insecure or Able but Unwilling. Ability is now being demonstrated, fairly consistently, at moderate-to-high levels. The person may be "insecure" when starting to perform with less involvement from the leader. The person may be "unwilling" when the task may be less rewarding than expected, problems won't go away, or performing is punishing.

Level R4: Able and Confident and Willing. Once a person reaches R4, consistent high levels of ability blend with confidence, commitment, or a sense of ownership. Motivation and desire for accomplishment are high.

Step 3: Match leader response. Leadership style is composed of relationship behavior and task behavior.

Relationship behavior is the extent to which a leader engages in two-way

communication with a person, providing socio-emotional support or psychological strokes. The leader explains why something should be done and provides facilitating, participating, or involving behaviors.

Task behavior is the amount of guidance or direction provided. It is the extent the leader engages in defining the who, what, when, where, and how the task is to be performed.

Four Leadership Styles

These patterns of influence behavior can be plotted on two distinct axes:

Style S1: High Task/Low Relationship. S1 is called "telling" since it is characterized by one-way communication. The leader defines the role, shows how to begin, and tells who, what, when, where, and how in relation to the task. Informing or guiding are also examples of how a style S1 may come across to a person low in readiness. This feels like a helping relationship, except when the person is unwilling to perform (not just insecure about their ability). The exception calls for consequences for nonperformance and becomes part of the unfreezing process.

Style S2: High Task/High Relationship. S2 is referred to as "selling" since the person receives two-way communication and socio-emotional support in an attempt to gain "buy in" to the decisions made. As leaders "sell," they focus on explaining and mentoring to increase understanding of the task.

Style S3: High Relationship/Low Task. S3 is called "participating" since the leader and individual share in decision-making. Two-way communication and facilitating behavior boost the person's willingness/security, since they already demonstrate the ability to complete the task. Support and encouragement characterize an effective use of style S3. This style instills ownership in the decision-making process.

Style S4: Low Relationship/Low Task. S4 is referred to as "delegating" since this style involves letting an individual "run their own show." The leader delegates tasks, as people show they are able and willing to accomplish the task at hand. A leader using a style S4 spends more time monitoring progress as the person gets the job done.

There is no *one best way* to influence others. Any influence behavior may be more or less effective depending on the *Performance Readiness* of the person. LE

Paul Hersey is the owner of the Center for Leadership Studies. Situational Leadership® and Performance Readiness® are registered trademarks. All Rights Reserved. Visit www.situational.com.

ACTION: Let readiness drive your behaviors.

Generous Leaders

Create a culture of generosity.



by Leonard L. Berry and Kent D. Seltman

GENEROSITY IS OFTEN ASSUMED TO BE an outcome of success. Successful companies can afford to be generous. However, generosity is a critical input to success, not just an outcome.

All organizations are service organizations in that they create value for customers through performances. This requires motivating and preparing employees to be effective performers. A culture of generosity inspires more effort and commitment; its opposite—selfishness—depletes the human energy to serve. Generous organizations serve better and compete better.

The role of generosity as a success driver emerges from our analysis of Mayo Clinic. It's an extraordinary healthcare organization, and extraordinary service organization. Exceptional generosity defines the spirit of Mayo Clinic—and has from its beginnings. Its purpose goes beyond making money, which is pivotal to sustaining its financial strength.

The story begins with Dr. William Worrall Mayo coming to Rochester, Minnesota in 1862 to perform physicals on soldiers heading to the Civil War. His two sons, Dr. William J. Mayo and Dr. Charles H. Mayo, joined the family practice after completing medical school in the 1880s. All three were remarkably skillful surgeons who took advantage of the recent development of anesthesia as well as sterile surgical techniques and produced results that generated word-of-mouth recommendations that spread around the world.

The reputation they built remains strong today. More than 90 percent of 500,000 individual patients served there each year “say good things about Mayo Clinic to others.” More than 16 percent of primary healthcare decision-makers in U.S. households express an unaided preference for Mayo Clinic care in the event of a serious medical need in their family.

The Mayo brothers realized the Clinic was about more than themselves. In

the late 1890s, they began hiring physicians on salaries rather than as business partners. By 1919 this business model had produced wealth in excess of \$50 million in 2008 dollars. The buildings, equipment, securities invested, and accounts receivable belonged to the founders personally. But the brothers prepared the organization to survive their lives. In 1919, they contributed most of their personal wealth to a not-for-profit foundation designed to sustain the medical practice.

This act of personal generosity grew out of convictions they had acted on 25 years earlier. In 1931, Dr. William Mayo discussed his and Charlie's philosophy with a journalist: “By 1894 my brother and I had paid for our homes. Our clinic was on its feet. Patients kept coming. Money began to pile up—more money than any two men had any right to have. That year we put aside half of our income. That money seemed, somehow, like holy money to us, and it had to go back into the service of the humanity that had paid it to us.”

Generosity and Teamwork

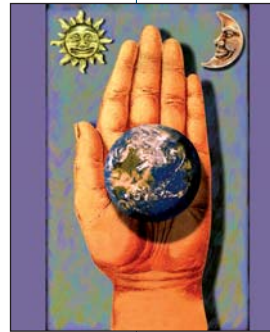
But gifting wealth was not enough. For the organization to survive, the brothers needed to cede the executive power they had used to create Mayo Clinic. So, in the early 1920s, Drs. Will and Charlie, still in the prime of their careers, initiated a deliberate transfer of control of Mayo Clinic from their hands into those of the Board of Governors that they created. Ironically, two celebrated surgeons who had maintained a tight-fisted but benevolent control over everything about Mayo Clinic chose a consensus-driven management system. The teamwork that was a hallmark of the clinical care model they had embraced was applied to management as well.

Management principles initiated by the brothers still prevail. Paying physicians a fair, even generous, salary helps keep them focused on the best interests of the patient. No Mayo Clinic physician has any financial incentive to care for a patient if a colleague would be more expert. No surgeon will see a change in compensation by performing surgery on a patient. No clinician loses pay by helping another physician with a complex patient. Administrators are also employed on a straight salary. No supervisor earns a bonus if he or she increases the productivity of those supervised. Productivity is generated by employees who are hired for their

humane and teamwork-focused values as well as for their talent. They find alignment in their personal values and the institution's primary value, “the needs of the patient come first.”

Mayo Clinic's spirit of generosity paves the way for its team medicine model. Though Mayo Clinic employs many renowned experts, it rejects any “star system.” Those who need to be celebrated as stars do not fit well in the Mayo culture. A physician who leads in a research or clinical achievement, for instance, must publicly and sincerely share the credit with the team.

Mayo Clinic runs on teamwork. The way the Clinic serves the needs of its patient is through the “pooling of talent.” Patients who present at Mayo Clinic with complex medical conditions don't just get a doctor—in effect, they get “the whole company.” Imagine a medical department store with experts in every conceivable department who can be assembled to help a patient requiring a particular combination of skills and knowledge. This is how Mayo Clinic is designed to deliver care, and it requires a culture



of teamwork, which offers a strong competitive advantage to Mayo over non-integrated medical practices—and helps in some less visible ways. For example, Mayo physicians say being on staff facilitates their growth. Working with clinicians from other specialties and using electronic medical records offer a rich stream of continuing medical education.

Teamwork prevails in management also. Administrative and clinical leaders derive their power from the team they lead. Those who want to maximize their personal power and authority won't be fulfilled at Mayo.

Generosity is a rarely recognized requirement of excellent leaders. Yet, the prolonged, elite performance of Mayo Clinic makes a strong case for generous leaders who share power and focus on the social profit they create rather than their personal income. The culture and the values the Mayo brothers defined still thrive. The Clinic endures because of its focus on giving what is needed to truly meet the needs of its customers. **LE**

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ACTION: Cultivate a culture of generosity.

Great Management

It's more than just a promotion.



by Jim Haudan

ENGAGEMENT HINGES on creating a clear line of sight from the marketplace to every employee so they can execute strategy. In working with clients, we've seen workers who had voted to strike willingly change their votes, people who had been cynical and apathetic become excited and motivated, and companies who, in several months, achieved results they thought would take several years.

However, we've also heard accounts of poor results—one involving a financial services client who was trying to execute a new strategy across the entire banking system. Visual tools helped its thousands of employees understand the dramatic changes in the marketplace, the newly crafted strategy, and the core economics. The project was a huge initial success.

Because they were concerned about *sustainability*, the bank's leaders hired a cultural anthropologist to monitor the implementation and measure its impact on people's actions and behaviors. The anthropologist found that change was sustained *only* when the managers interpreted the strategy accurately and translated it into *real meaning* for their teams. Where managers *did not* do this, people concluded that the meetings they attended about the strategic goals were not primarily intended for them!

Creating a line of sight across the business for all stakeholders is stopped if managers can't interpret and translate the strategy at the team and individual level. Managers then become a "cork" in the execution of strategy. To engage people in the game plan, managers need to interpret and translate new strategic actions.

Think of an organization as an orchestra—its musicians have different competencies, and they all contribute to the performance. When a conductor is needed, leadership often picks the best instrumentalist, the head violinist, for example. However, despite her talent as a violinist, she is ill-prepared to

be the conductor. One assignment is about being an expert in a specific area and mastering it. The other is about blending the talents of everyone in the orchestra into a high-performing team. Most former head violinists can't interpret and translate the new music that *must* be played strategically!

So managers get a double whammy. They ask, "How can I engage and connect people in the strategy by interpreting and translating it effectively?" and "How can I lead by being an expert in one element while getting the team to perform together?" Managers see their plight as difficult at best and hopeless at worst. So, when trying to execute strategy through people, managers can be either the cork or catalyst to generating results. Most managers struggle to evolve from being an expert in their area to calling out the expertise of others so the team can perform masterfully. And yet managers' most important role is to successfully interpret and translate the new strategy to their team members in a way that *makes sense to them*.

What Managers Must Know

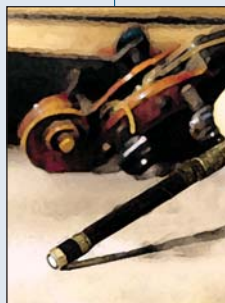
All managers must know four things:

- 1. Know the business**—everything from the big picture of the marketplace to core processes to strategic direction. This step is vital in making the strategy a reality.
- 2. Know their role.** Most managers discount the importance of their role—to create a great team. It's not all about projects and process, but about people—starting with managers themselves.
- 3. Know how to connect their teams to the business.** Beyond speeches, this is the hands-on, step-by-step job that needs to be broken down so people can know the "why" and "how" of their jobs. Great managers help their team members see that they are part of something much bigger and that they truly make a difference.
- 4. Know how to deliver results through their teams.** They need to know the basics of building effective working relationships, setting clear expectations, coaching and developing people, and following up to ensure executions and celebrate "victories."

If a strategy is to succeed, managers need to interpret and translate the *music* into something people can *actually play*. **LE**

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ACTION: *Uncork execution of the strategy.*



Transformation

Lead in times of change.



by Bill Adams and Cynthia Adams

IN ANALYZING THE LAST PRESIDENTIAL campaign, pundits, linguists and bloggers dissected political speeches by creating *cloud tags* to visualize the content of speeches and quickly identify frequently-used words. Strategists clearly honed in on two words that struck a chord with the American electorate: "change" and "transform."

In terms of leadership, these two words are not necessarily interchangeable. Circumstances can be rapidly and dramatically altered, as recent events have illustrated. While *change* can often be accomplished by *doing* something differently or by *doing* different things, *transformation* requires *seeing* things differently as well. A shift of this magnitude requires that effective leaders be agile enough to think beyond the solutions often provided by transactional behaviors and move toward transformational behaviors.

Transactional leadership is rational, based on principles of exchange and expectation: *you do this for me, and in turn, if satisfied, I will do this for you.* Transactional leadership sets goals, determines rewards, and evaluates and assesses performance. This leadership is oriented from the outside in; operates from a position of power; and responds reactively to situations. It does not tap into the need employees have to find meaning in their work. And leaders who operate using only transactional behaviors risk modifying their style of leadership and falling into patterns to meet the needs and perceived expectations of their followers.

Transactional leadership comes from a place that is familiar and comfortable. Yet effective leadership skills are seldom surfaced by making obvious choices, looking backwards, or falling back on conventional wisdom. When challenges require making large changes in a compressed timeframe, transactional leadership often results in only incremental improvements gained from isolated changes.

Transformational leadership creates a shift in the way people think, see, and connect to their environment. It is oriented from the inside out, deriving authority not from title but from mutual trust and respect. It recognizes the value of others, engages everyone, and seeks to recognize and develop untapped potential. It challenges, inspires, and declares that everything is open to consideration—nothing is off the table. Transformational leaders respond adaptively to situations and see risk-taking as a necessity, and opportunity for innovation and problem-solving. Such leadership is inclusive; it articulates a shared vision for the future and encourages those involved to feel that they're a part of something bigger, and to have a hand in defining what "bigger" will mean.

Transformational leaders harness people's desire for a better future and channel that desire into active engagement, commitment, and participation. They exhibit courageous authenticity, are purposeful and visionary, have a strategic focus, achieve results, display interpersonal intelligence, foster team play, aim for sustainable productivity, and are systems thinkers. They also recognize the role their personal transformation plays. They become more self-aware and systems-aware in order to direct, engage, and focus people. They explore how their beliefs and values shaped the old culture and choose what shifts they'll make in support of the new culture. They acknowledge that engagement and commitment to change won't take hold among stakeholders if leadership resides only in the hands of a few people at the top. They believe that leaders and followers can raise each other to higher motivation and morality. Beyond sharing a vision for change, they develop the role of leadership *throughout* the organization, creating an expanded group of leaders.

We admire transformational leaders because in the face of *impossible* odds, complex environments and unimagined situations, they see and convey a new vision. They inspire us with dreams, challenge us by defining our roles and responsibilities, and engage us by making us believe that we are an integral and vital part of a solution that will lead to something greater. *Doing* something differently is a natural response to the changing world. *Becoming* something different changes the world by transforming what is within us. **LE**

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ACTION: Help people see how their work matters.

Planning Is Everything

And yet business plans are nothing.



by John Baker

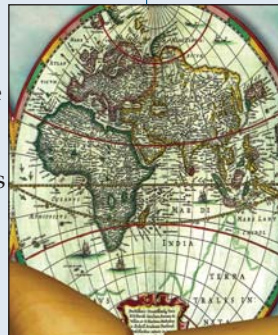
PLANS, BY THEIR NATURE, are nothing but static documents, and yet planning is a responsive and dynamic action that brings focus to uncertainty.

A flight plan sets an initial course and final destination, but planning ensures that the pilot takes the appropriate corrective action to get the airplane where it needs to go.

In business, planning is vital; yet with so much uncertainty in the air, many leaders forego the discipline of planning. The main reason to plan isn't to set a course of action, but to provide a management tool to use in the present, and the future. A sound plan only needs to address four questions:

Where are we? The plan should clearly define the financial, environmental and market realities. This should be addressed in straightforward words that define the business' health and competitive position. The plan must be founded in what is real, not something assumed or "hoped for." Someone reading this section of the plan should, with clarity, understand the strengths and weaknesses of the business, and sense the company's potential given the current reality. The best way to lose any enthusiasm in your plan is to make this section a complex, statistical death-by-numbers dissertation. Readers care nothing about your plunging ROI, but care intensely about what that means to your business. Use only three to five financial matrices that explain how your business is performing.

Where are we going? The plan should spell out the intentions in the coming years; what does the organization want to accomplish? This section is a statement of aspiration, balanced by the realities. This creates a reasonable prediction of the momentum needed to achieve future goals. It is folly, for example, to state an aspiration that is no more than a pipe dream. Blind hope is an irresponsible strategy; aspirations need to be tied to reality.



This section enables people to understand the potential of the business in three ways: 1) *Financially*: Why should one invest in us? 2) *Externally*: Why should clients and prospects do businesses with us? And 3) *Internally*: Why should employees work here? Abstract vision statements are not credible. The best plans are insightful because they balance bold market aspirations with commonsense business acumen.

How will we get there? The plan sets forth the imperatives—the tasks that are essential to achieving success. This section defines a critical path and identifies important, but non-essential objectives. By doing this, leaders define where they are willing to fail in order to secure the critical path. The plan sets a context for decision-making around competing goals—for example, delaying an important product launch in order to ensure an imperative goal of achieving bottom-line results. After reading this section, people know not only what keeps the leaders of the business up at night (achieving the imperatives), and what lengths they will go to for a good night's sleep. To break down silos, ensure each employee knows where his or her job fits within the critical path outlined in this section. If not, he or she is not fully a part of the team.

Are we on track? The plan needs to define what success looks like and how it is measured. The plan should clearly define who is accountable for which measure, when measurements will be taken, and the corrective actions to be taken in the event of a deviation. The best plans are evergreen—constantly referenced and regularly amended. You should understand how success is defined and measured. This section should flow directly into the formulation of goals; it provides a uniform template that ensures everyone has goals and measures aligned to organizational vitality.

During uncertain times, key constituencies—clients, prospects, shareholders, and employees—need more information. The plan sets forth a clear path of action that can be referred to in unclear circumstances. This, in turn, generates comfort and confidence in the business, its leaders and the planning that has been engaged in. **LE**

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ACTION: Set a clear plan of action.

Leadership Journey

Take it in progressive phases over a lifetime.



by Myrna L. Bair

IN OUR WOMEN'S LD program, our analogy, *Leadership Is a Journey*, conveys to participants that the process of becoming a leader is not instant or easy, but it is a journey worth taking.

Think of a journey you've taken. First, you anticipate, then prepare, and then start walking. You encounter difficulties, but the joy of the adventure and the wonderful things you experienced during the trip make all the effort very worthwhile.

These are the same steps our participants encounter. Our task is to be their guide, help them begin the journey, stay on course when things become difficult, and provide continual encouragement and nourishment.

In today's instant gratification society, our participants need to understand there are no magic bullets to make Ms. Average into Ms. Leader. There are roads to travel, steps to take, and obstacles to overcome; there are fellow learners along that journey; and every step forward makes us a better leader. Peter F. Drucker noted: "Leadership is not magnetic personality—that can just as well be a glib tongue. It is not making friends and influencing people—that is flattery. Leadership is lifting a person's vision to higher sights, the raising of a person's performance to a higher standard, the building of personality beyond its normal limitations."

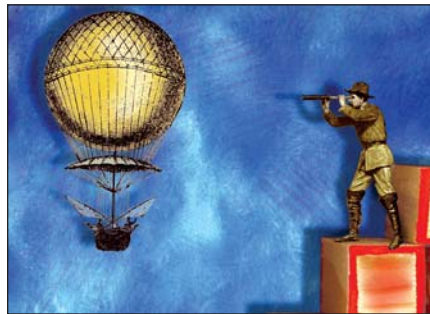
The message is that leadership is a journey of a life-time. There is always more to learn and to develop. As we learn and develop, we can have enormously positive impacts on ourselves, co-workers, and organizations. *Success is a journey, not a destination.* This journey, noted Carl Jung, "is a lifetime's task that is never completed."

With the image of a journey in mind, our participants are more receptive to a long-term process. They are more patient and willing to learn. Knowing how this journey will unfold, they can now relax and enjoy the scenery (*the things they experience, the people they meet, and the abilities they develop*).

Our program structure is based on the Conger model of LD and designed to reinforce the journey concept.

Phase 1 is a one-day experience wherein we explain that the first step is to get started. No one else can do it for you: "We can no longer act as patrons, waiting expectantly for the right solution. We are each required to go down to the dock and begin our individual journeys. We are required to be there, as active participants. It can't happen without us, and nobody can do it for us," writes Margaret Wheatley in *Leadership and the New Science*.

In Phase 1, we want them to be prepared: to have a conceptual understanding of power, leadership, and management—how they differ and how they are similar; know what char-



acteristics are important for effective leaders; share a leadership scenario with other participants, and develop the confidence that they, too, *Can Do It*.

Although 50 participants may be in this first step, we structure the program to meet individual needs. *Some of us need a detailed map showing all the hills and valleys; some are happy with just signs posted along the way.* Given individual learning styles, we must include many variations of learning: activities, reflection, readings, and sharing.

At the end of the day, we provide them with additional reading, self-assessments, a model for developing action plans, and reference material. This re-emphasizes that leadership is a life-long journey; we must all become life-long learners. At this point, we properly prepare them, assure them that we will be their guides, and help them see the future—the great benefits that await as they continue the journey.

Phase 2 in their journey is a two-day retreat, wherein we emphasize

self-understanding and skills-building. Knowing yourself is the first law of leadership, but the path to understanding is often difficult. How you lead, follow, and treat all those people along the way is a function of who you are.

So the journey must take us across the "mountains of self-knowledge." This can be difficult. The challenge for trainers is to make this as comfortable as possible, yet be brutally honest. Without understanding ourselves and how we interact with others, we can't be effective leaders. Learning who we are, why we do what we do, and how we can achieve positive interactions with others is crucial for leaders.

Here we also begin building skills. This is like supplying them with the tools, gear, and guides they will need. Leaders need to be effective communicators, know how to deal with change, think outside the box, and understand the next steps in the leadership journey.

At this point, our participants may feel a bit weary and lonely. We must pass out water bottles and granola bars, shout words of encouragement, continue to show them the benefits of this journey, and assure them that they are not alone. There are fellow travelers and learners: "Every moment requires that we stay together. We have the gift of each other. And that will make us even more curious, wiser, and courageous," writes Margaret Wheatley.

Phase 3 consists of eight half-day sessions (*like short weekend trips*). They meet as a group, acquire new skills and knowledge, and practice leadership. In their group, they share the trials and victories. What went right as they exercised their skills, what failed and why? What can they learn? It becomes obvious to these emerging leaders that leadership is not a certainty. At times, they succeed; at times, they fail. What is important is that they try and learn.

In post-session interviews, we ask how they think they have grown. For most, the biggest growth is in their self-confidence. They are not afraid to try new things, to learn from their successes and failures. They form bonds with fellow travelers and seek ways to keep learning with each other. At their request, we offer added learning experiences on topics as *conflict resolution, emotional intelligence* and *communication*.

An ancient pictogram for *passages* in Chinese is depicted as a time when a delicate bud opens into a flower. We've seen this flowering of new leaders. **LE**

Myrna L. Bair, Ph.D., is Director, Women's Leadership Development Program, University of Delaware: www.ipa.udel.edu/wldp.

ACTION: Start your own leadership journey.

Spot Coaching

Develop leaders along the way.



by Michael M. Grant

LEADING EFFECTIVELY IS more challenging than ever. Leaders are asked to do more with fewer people, leaner budgets, increased regulation, tighter margins, tougher competition, and faster turnaround times. They often feel they're being asked to make more bricks with less straw. They feel caught in the middle. After staff reductions, leaders know their people need to do more, learn new skills, and bridge the gaps once filled by former staffers—but can't afford the time or money to take their people away from their jobs for training and development (T&D).

There is hope, though. The truth is that most T&D initiatives deliver far less than promised. This is why they are often the first things cut in down times. When the climate is unfavorable, formal development for their staff is out of the question. Given the history of T&D, there may be a better method—one that costs little or nothing, has potentially greater impact, requires no staff time away from their work, and offers opportunities for leaders to practice and develop some core leadership skills.

An analogy from manufacturing may help. Many companies that manufacture and assemble metal components do not use welds all along the seam of the pieces they join. They've learned that spot-welding, if done powerfully, is just as strong or stronger than welding the full length of the seam. Spot-welding also uses less energy, material, and time. So, it is less expensive than a full-seam weld but better.

This is an apt analogy for the leadership intervention needed—spot coaching—a brief, powerful, targeted “welding” of a person with a new or deeper skill. It's coaching on the spot.

For example, imagine that one of your staff keeps coming to you with a process problem or task you feel they ought to do but, for some reason, they can't complete on their own. In the past, your frustration may have led you to tell them what to do or do it yourself. Result? More work for you, and no development of this skill in the

staffer. Next time, spot-coach. Invest the short coaching needed now so they develop the needed skills to handle this on their own, without always bringing it to you to fix.

Take Seven Steps

When you see a need for spot-coaching and receive the person's acknowledgment that some quick coaching would help, take seven steps:

1. **Ask open-ended questions** (ones that can't be answered with a “yes” or “no”), and suggest they take notes as you coach them. Examples of open-ended questions are: “What parts of this do you understand well?”; “What parts are still challenging for you?”, and; “Where do you get stuck?” When, together, you identify the part they can't do, keep asking them questions to



get them thinking about and owning *their* problem. Your follow-up questions might be: “What have you tried in the past?”; “What was the result?”; “Who has helped you before?”; “What did they suggest?”; “What have you tried this time?”; “What do you think the next step should be?” By asking questions, you are teaching them to ask themselves these same questions when they face this or similar issues, to think critically about the problem, and to explore their responsibility for it.

2. **Resist their request (or your temptation) to “just do it for them”** so you/they can get back to work. This is *their* work, and they need to learn how to do it. This is not your work and you need *them* to do it. If you do it for them, you will guarantee that they never learn this skill but keep coming back to you with the expectation that you will do it for them. Stop this madness now! They need to learn the skill, and you need them to learn it so they,

not you, can and will handle it from now on. They won't learn unless you coach them. The 10 minutes you invest now will pay off over and over again.

3. **Suggest only the next step if they can't tell you or show you**—after your open-ended questions have highlighted their area of confusion. If you suggest too quickly, you will keep them too dependent on you for problem-solving thinking.

4. **Demonstrate that step for them and ask them to execute it while you watch.** Now ask them to tell you the next step, demonstrate if needed, and watch them do it. Walk through the process asking, suggesting, demonstrating, and watching them do each step until the process is complete. *Remind them to keep taking notes.*

5. **Ensure they understand the process, have tried each step once in front of you, and have complete notes.** Now ask them to talk or walk you through the whole process as if they were teaching you (they are actually teaching *themselves* as they do this—another skill you want them to practice and perform regularly).

6. **Describe to them, briefly and in positive terms, how this process fits into the big picture.** Help them see *why* it is important for the business that they learn and successfully perform this task.

7. **Express your confidence that they can do this**, that you are there to help after they have tried on their own and used their notes yet are still stuck, and mention that their learning this skill will not only help them in their current job but it and others like it may open doors to them of larger responsibility and jobs of wider scope.

By identifying the key spots where focused, brief coaching is needed and spot coaching as necessary, you can help your people develop just what they need when they need it without spending much time, resources, and effort providing broad T&D. Doing this also gives *you* practice and helps you develop the coaching skills that all great leaders need to maximize the performance of their team.

Such coaching doesn't have to take hours and doesn't have to cover everything. Like joining two metal components, a weld along the entire seam is overkill when several powerful ones are perfect if they are at the right spot. Spot-coach someone today! **LE**

Michael M. Grant is CEO of PowerLEAD, an LD/OD consultancy. Call 843-655-5745, email mmgrant@powerlead.net, or visit www.powerlead.net.

ACTION: Practice spot coaching.

Smart Power

It's a blend of soft and hard.



by Joseph S. Nye, Jr.

SOME PEOPLE THINK OF *power* narrowly in terms of the *hard power* of command and coercion. But *power* is the ability to affect others to get the outcomes you want in one of three basic ways: you *coerce* them with threats; you *induce* them with payments; or you *attract* and *co-opt* them.

The latter is *soft power*. It rests on the ability to shape the preferences of others. At the personal level, we all know the power of attraction and seduction. In a relationship or marriage, for example, power does not necessarily reside with the larger or richer partner, but in the chemistry of attraction. Smart executives know that leadership is not just a matter of issuing commands, but also involves leading by example and attracting others to buy in to your values and vision.

The ability to establish preferences tends to be associated with intangible assets—an attractive personality, values, institutions, and vision—that are seen as legitimate or having moral authority. If a leader represents a vision and values that others want to follow, it will cost less to lead. Soft power enables you to save on costly carrots and sticks. Soft power is attraction power.

There are various types of attraction. People are drawn to others both by their inherent qualities and by the effect of their communications. The emotional or magnetic quality of inherent attraction is sometimes called charisma. Communications can be symbolic (leadership by example) or by persuasion, for example, arguments and visions that cause others to believe, respect, trust and follow. When such persuasion has a large component of emotion as well as reason, we call it rhetoric. Some communications are designed to limit reasoning and frame issues as impractical or illegitimate in such a way that they never get on the agenda for real discussion. At this point, persuasion blurs into propaganda and indoctrination. As for hard power, threats and inducements are closely related. Inducements, rewards, and bonuses

are more pleasant to receive than threats, but the hint of their removal can constitute an effective threat.

Hard and soft power are related: they are both aspects of the ability to achieve your purpose by affecting the behavior of others. Sometimes people are attracted to others with command power by myths of invincibility. In extreme cases, fearful hostages become attracted to their captors as a means to reduce painful stress. As Osama bin Laden put it: "When people see a strong horse and a weak horse, by nature, they will like the strong horse." Great intimidators have a vision and reputation for success that attracts others—despite their bullying behavior.

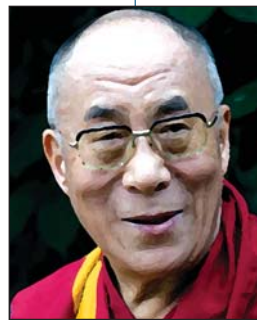
Hard and soft power can reinforce or interfere with each other. Every leader needs a certain degree of soft power. As David Hume pointed out, no individual is alone strong enough to coerce everyone else. A dictator must attract or induce an inner circle of henchmen to impose his coercion. Even Hitler, Stalin, and Mao had such a circle of acolytes. But except for some religious leaders, such as the Dalai Lama, soft power is rarely sufficient. And a leader who only courts popularity may be reluctant to exercise hard power when he or she should. Alternatively, leaders who throw their weight around without regard to the effects on their soft power may find others placing obstacles in the way of their hard power. Machiavelli said it is better for a prince to be feared than to be loved, but we sometimes forget that the opposite of love is not fear, but hatred. And Machiavelli made it clear that hatred is something a prince should carefully avoid. The ability to combine hard and soft power into fruitful strategies is "smart power."

Management researchers detect a change in effective leadership styles: networks are replacing hierarchies, and successful leaders are using a more integrative and participatory style that places greater emphasis on the soft power of attraction rather than the hard power of command. They think of themselves as the center of a circle rather

than king (or queen) of the mountain.

This change in leadership style is a matter of degree of command or attraction—from hard to soft power styles—not a total switch from one type to another. While soft power skills of vision, communication, and emotional intelligence are more important in the mix, effective leaders combine them with transactional hard power skills of managing structures and political skills of bullying, buying, bargaining and hard-nosed negotiation.

Different organizations often require different types of leadership styles at different stages. An entrepreneur with a vision for a start-up is often not the right leader when a firm matures. But before we simply conclude that different courses favor different horses, we should ask whether more attention to



context can help leaders broaden their styles. In societies where more people are likely to work in different sectors—public, private, non-profit—and in different national cultures at various stages of their careers, greater attention to context may add to the versatility of leadership.

The key skill will be contextual intelligence—a broad political skill that allows leaders to combine hard and soft power into *smart power* and to choose the right mix of an inspirational and transactional style according to the needs of followers in different micro contexts. Appropriate choice of style depends on such questions as whether a situation is autocratic or democratic, public or private, whether conditions are normal or in crisis, whether problems are routine or novel, and what degree of change is seen as necessary or desirable. Barack Obama demonstrated impressive contextual intelligence in his election campaign.

Contextual intelligence will be the key leadership skill in assessing systems, sizing up power relations, discerning trends in the face of complexity and uncertainty, adjusting the mix of styles, and creating and maintaining a system of information flows that "educates the leader's hunches." Successful leadership will rest more upon soft power, but the prize will go to leaders with the contextual intelligence to manage the combination of soft and hard power into smart power. LE

Joseph S. Nye is University Distinguished Service Professor at Harvard and author of *The Powers to Lead* (Oxford University Press). Visit www.hks.harvard.edu.

ACTION: Cultivate smart power.

High-Octane LD

Accelerate people development.



by **Walt McFarland, Brian Vander May and Lori Zukin**

MANY SENIOR LEADERS ARE FACING A crisis of leadership. About 40 percent of the nation's workforce—64 million workers—will be eligible for retirement by 2011. Younger managers who are not properly trained to fill leadership roles and manage their staffs could cause serious problems.

Accelerated leadership development (ALD) strategies help fill the talent pipeline. By working with the right candidates through intensive experiential learning and feedback, leadership skills can be gained faster. While targeted toward key skill sets, ALD can cultivate the leadership competencies to separate candidates from the rank-and-file and increase the speed to proficiency to fill voids.

Apply Five Factors

We've identified five factors that, when applied, accelerate LD, ensuring that high-potential talent can achieve higher performance after development.

Factor 1: LD outcomes tied to priorities. To address leadership challenges, development programs must be the outcome of a human capital strategy that is tied to strategic priorities. Addressing the question "Where are we going?" is increasingly important. ALD may be considered "just in time" succession planning since the need often results from lack of long-term, systematic succession planning. Organizations in growth or transition mode also need ALD, as candidates must be developed quickly to address new needs. The ALC program may target an immediate need, requiring a specific capability, or a general need for a cadre of strong leaders.

Factor 2: Participant identification based on multifaceted criteria. "Hi-pos" often fail to deliver at the next level. How can you be sure that you invest in the right people? Conduct a multifaceted assessment of potential. Assessment centers and objective tests

can measure ability, engagement and aspiration, and are more effective when paired with self-nomination processes and performance management systems tied to individual development plans. However, before you set the key behavioral criteria, get the baseline leadership competency models right by introducing such factors as systems thinking, complexity, collaboration, and boundary-spanning skills. Using multifaceted criteria to identify hi-pos is effective when you know the skill sets and abilities you are seeking.

Factor 3: Development activities customized to meet individual needs.

The selection results often spotlight key areas for development. Some candidates require technical skills, operational or subject matter expertise, while others need to hone soft skills such as political



savvy or communication. As candidates demonstrate their skills through job-relevant situations such as role play, exercises or simulations, observers assess their leadership potential and the skill sets that need to be developed to make that person an effective leader.

Factor 4: Immersive and experiential learning. ALD includes periods of evolution, or learning, and periods of revolution, or discovery—helping people arrive at *Eureka!* moments of realization, experience revolutionary growth, and make big strides. Hands-on, experiential training is more engaging and effective. By performing the actions of the role, candidates often have epiphanies. Solving real-world problems via action learning enables them to reflect on experience and draw lessons from it.

Factor 5: Continuous and intensive performance feedback. Sustained results require that employees be evaluated regularly and their immersion learning be reinforced with honest, constructive feedback. In ALD, the feedback loop

between action and learning is condensed, and feedback on multiple projects or work streams is increased. Hi-pos are evaluated by bosses, mentors and coaches on many aspects of their work. Since frequent feedback and correction can be difficult to receive, take extra care to deliver feedback in sensitive ways. Make it clear to people that the feedback is intense because they are strong candidates.

Hitting Four Speed Bumps

While there are challenges to ALD, each concern can be met with effective mitigation strategies.

Speed Bump 1: LD is resource-intensive. *Mitigation Strategy:* Manage expectations and focus on long-term gain. Both employees and managers must realize this may be a period of intense demands. As ALD activities permeate the ranks and yield results, they can evolve into less resource-intensive development programs.

Speed Bump 2: LD takes people away from mission-related tasks. *Mitigation Strategy:* Ensure leadership engagement. ALD should be a mission for leaders, and they need to champion it. Design and market ALD to support priorities.

Speed Bump 3: Choosing some people for LD may look like favoritism. *Mitigation Strategy:* Establish an application process and clear criteria for acceptance. Identify the best without alienating the rest. Selection must be transparent. Offer multiple opportunities for hi-pos to join the leadership pool. Match readiness with opportunity.

Speed Bump 4: The investment is lost if the employee leaves. *Mitigation Strategy:* View LD as a retention strategy. Employees who recognize investment in their development are more likely to remain loyal. While attrition can't be eliminated, ALD boosts attraction, reciprocal loyalty, and retention.

As technology advances, you can increase speed to proficiency; manage face-to-face, Web-based, and experiential training using one dashboard; view and track many learners at once; stay in touch with learners, coaches, and trainers; host forums; track completion of e-learning modules, training assignments, and coaching sessions; and know what went right and how to repeat it.

By mitigating challenges and using technology to repeat successes, you reduce the risk and challenges in ALD and effectively develop future leaders. **LE**

Walt McFarland, a VP with Booz Allen Hamilton, leads the firm's learning strategy business. Brian Vander May is an associate at BAH, specializing in LD, succession planning. Lori Zukin is a senior associate with BAH.

ACTION: Accelerate your leadership development.

WorkForce 2020

Learn to leverage four generations.



by Patricia Nazemetz

WHAT WILL THE workplace and workforce look like in 2020? It's hard to predict. But this is where HR leadership can make a real difference—for every employee.

HR leaders need principles that link today's needs and realities with future possibilities and challenges. They also need a structured approach (process) to sense today's workforce with an eye on the opportunities of tomorrow.

At Xerox, we are engaged in such an endeavor. We call it *WorkForce 2020*. It's a critical part of our talent management (TM) strategy.

Understanding Gen Differences

Building a TM strategy starts by understanding generational differences. We started thinking about our future workforce long before this economic downturn. We'd already experienced turmoil that provided hands-on, crisis management experience. After downsizing and gradual recovery, we weren't sure we had the right mix for the long-term.

Our talent agenda analyzes today's workforce and helps us identify future leaders. We look at all generations—Matures, Boomers, Gen Xers, and Millennials—to create a connected strategy that transfers knowledge between generations, develops mentoring and growth opportunities, offers flexible or custom schedule options and appealing rewards.

You can add real value by considering the impact of current events:

- *For Matures:* Many Matures are already retired, while some are just getting ready to walk out the door. Are they rethinking their decisions based on the economy? What options are available for older workers to stay or return to the workforce?
- *For Boomers:* After downsizing and a hiring freeze, we had a disproportionate number of mid-level employees. With older Boomers delaying retirement and hopes of an early retirement dashed for younger Boomers, where is the motivation for this group to continue growing and contributing?
- *For Gen X:* Will Gen X keep waiting

patiently as Boomers delay retirement?

- *For Millennials:* Where is the opportunity for early career employees in an organization that's top-heavy with employees from older generations?

If you have a talent agenda, you can recognize the potential for a problem before you lose good talent, and do something proactive about it. Despite the differences *between* generations, you also need to be aware of the differences *within* generations. People make decisions based on different personal filters; so don't assume all members of Gen X are flexible or Millennials are all team players—allow for individual differences.

Top Down, Bottom Up

How can you build a TM strategy? To create a process for finding and growing exceptional talent from all generations, you must tap into your people—top management, line managers, and employees at all levels.

First, align your TM goals with the strategy. HR must know where the company is going and how it plans to get there. Employees are a key driver for success, and your talent strategy must be in sync with the direction.

For example, if the strategy is to grow sales channels, build your workforce with that in mind. If the plan is to grow by tapping into undeveloped markets, your workforce needs to be flexible to support new business. If there are gaps in your pipeline, your strategy needs to fill those gaps.

Based on the strategy, determine what resources you need and what you can afford. All managers play a role here—providing input for attracting and retaining talent, recognizing the pipeline needs, and understanding the budget constraints. Talk with managers about the needs and generational expectations to help define your talent agenda. Managers can then encourage employees to provide direct feedback to you. This leads to employee engagement. Every employee wants to be listened to and heard, but each generation may want to do this differently. Millennials may freely give you their opinions unasked; Boomers may wait for a formal invitation for feedback.



Employee engagement starts with mutual trust. If you have a history of asking for feedback, listening and making changes that reflect the expectations of your people, they will give you helpful, unfiltered feedback.

At Xerox, we regularly measure employee engagement. Employee focus groups are common. Town hall meetings and other forums with our CEO occur regularly. We pull people together and ask them what they think—on topics ranging from benefit needs to how to set up a new cafeteria. Gathering input can be invaluable and inexpensive, especially if you have established high trust.

An open-door culture results in honest communication and loyalty—helping ensure survival by marshalling resources around less-than-ideal options.

Looking at work through the lens of

your employees will help you create a future that energizes and ignites them. You build a productive workplace by engaging talent in its design.

Start the Dialogue

Initiate conversation and create a generational framework for your long-term TM strategy. Ask management:

How can we manage and motivate employees across multiple generations? Consider generational differences and similarities. What expectations do Millennials bring, and how do they hope to advance their careers? How can you offer the work-life balance that Gen X demands as they assume more responsibility? How can you make changes for older workers who are redefining retirement?

How can we build cultures and rewards that attract, retain, and engage each generation? Entry-level employees and Boomers both have ideas to share, but different motivations. How do they want to spend their work day? What rewards do they seek? Listening before making policy enables you to foresee trends and be prepared, as today's youth become tomorrow's leaders.

What impact does the economy have on the decisions each generation makes about work? Changes in the economy can create seismic shifts in accepted generational behavior. The goal is not to predict what will happen, but to create a process for how you understand and deal with shifts in behavior and generational expectations. LE

Patricia Nazemetz is chief HR and ethics officer at Xerox and the leader of WorkForce 2020. Visit www.Xerox.com.

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