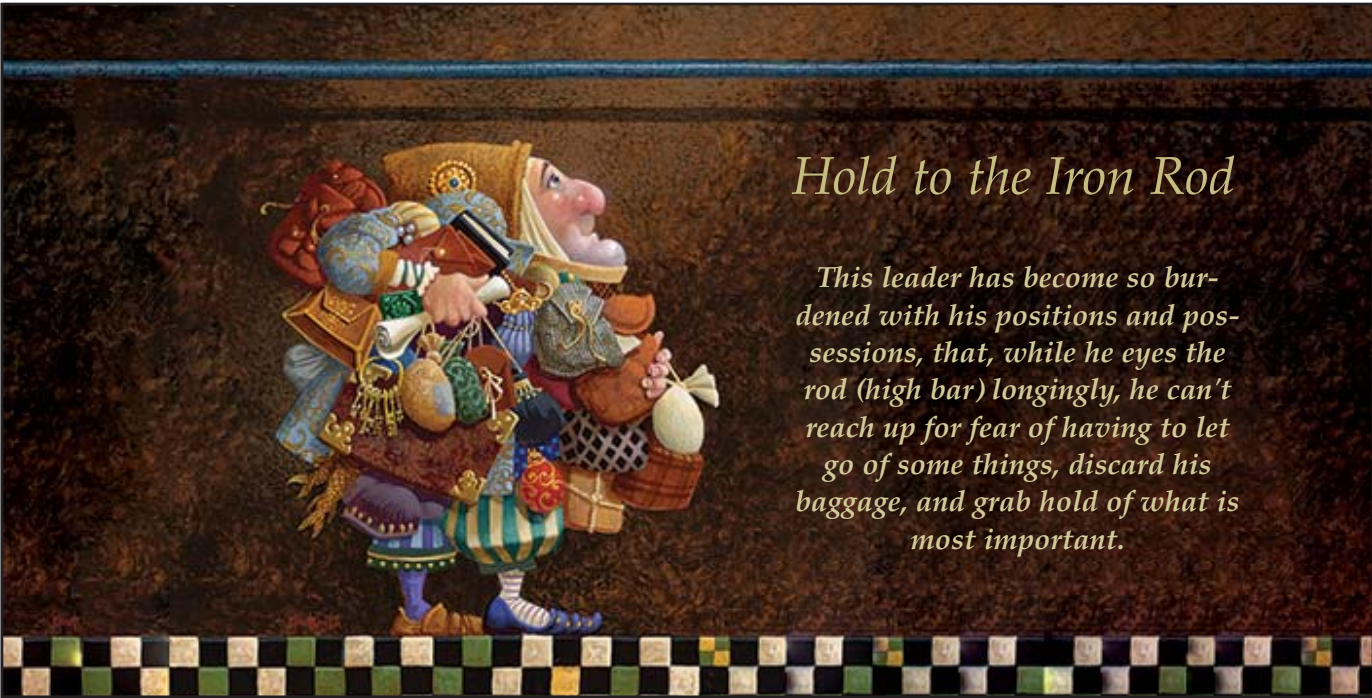


# LEADERSHIP *Warren Bennis* Excellence



THE MAGAZINE OF LEADERSHIP DEVELOPMENT, MANAGERIAL EFFECTIVENESS, AND ORGANIZATIONAL PRODUCTIVITY  
 VOL. 29 NO. 1 THE GLOBAL LEADERSHIP DEVELOPMENT RESOURCE JANUARY 2012



## Hold to the Iron Rod

*This leader has become so burdened with his positions and possessions, that, while he eyes the rod (high bar) longingly, he can't reach up for fear of having to let go of some things, discard his baggage, and grab hold of what is most important.*

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# Benefits of Membership

Use LE fully and properly this 2012 year.



by Ken Shelton

**T**HIS YEAR I WANT YOU TO benefit more from your membership in *Leadership Excellence* by using the product fully and properly. When I'm asked, "Why subscribe to *Leadership Excellence*? How can this *magazine membership* benefit us? What ROI can we expect to receive?" I answer: *For the price of a magazine, you receive a complete Leadership Development System (LDS)* that covers *seven dimensions* of each of the *three key development and performance areas: Personal and Professional, Sales and Service, Management and Leadership*. This powerful LDS is comprised of *six components*:

- 3 *guidebooks* to help you develop world-class development programs
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- *User's Guide* for how to use the system properly for maximum ROI
- *Searchable on-line archive* of some 6,000 articles from the magazines
- *Learning modules* for developing core competencies
- Annual *assessment and ranking system* to benchmark your program and develop your own people development *best practices*

And with electronic delivery, the price point on this LDS can be as little as **\$10 per person per year** (assuming over 100 users).

What is better and different about LE in 2012? Four things: 1) we're adding a *Leadership Coaching Guide* to facilitate the application of content to improve performance; 2) we'll produce six new *Leadership Learning Modules*; 3) we will supply a new *Guide for Developing Sales and Service Leaders*; and 4) we will *update the searchable on-line archive* of articles with 2010-11 content

## Courage in Leadership Award

**H. Kit Miyamoto**, Ph.D., S.E., often comes face to face with death, emotional devastation, cholera, hurricanes, earthquake aftershocks, and other dangerous situations—all in the name of his mission to save the world. His accomplishments and courage make him ZweigWhite's 2011 Jerry Allen *Courage in Leadership Award* recipient. As CEO of earthquake and structural engineering firm Miyamoto International, Kit and his team often arrive *within 24 hours* of a disaster. Email [christinaz@zweigwhite.com](mailto:christinaz@zweigwhite.com).

## Goldsmith Receives Thinkers Award

On Nov. 14, 2011, Marshall Goldsmith received the 2011 *Thinkers50 Leadership Award* as the World's Most-Influential Leadership Thinker. "Marshall is singularly persuasive, networked, and energetic. In the crowded leadership sphere, he is fixed on changing the practice of leaders for the better," says Thinkers50 co-founder Stuart Crainer. "His aim is to help successful leaders get even better." Visit [www.thinkers50.com](http://www.thinkers50.com).

## Poor Relationships Cause Failure

The top reason for a leader's failure is the *inability or unwillingness to build a team or positive relationships*, according to a survey by Right Management. "This factor is singled out by 40 percent of respondents," said Bram Lowsky, EVP. "Second was *mismatch for the culture*, cited by 26 percent. *Leadership success* depends on fitting with the values and culture, getting along with others, connecting, building relationships, and being flexible to adapt to the culture." Visit [www.right.com/global-leadershipstudy](http://www.right.com/global-leadershipstudy). [pgryan@aol.com](mailto:pgryan@aol.com).



Marshall Goldsmith

## Global Leader Programs

Lack of senior-level support is the main obstacle impeding global leadership development programs, according to a survey by AMA Enterprise, said SVP Sandi Edwards. "Up-and-coming leaders need to have a *broader skill set* to understand cultures and deal with ambiguity. Organizations with effective LD programs tend to be those whose senior management is involved in the implementation, said Edwards. "Also, these programs need to be *customized to some extent*—to take into account different regional leadership styles and cultural dimensions." Arlene Bein, [abein@amanet.org](mailto:abein@amanet.org).

## International Leadership Association

ILA, sponsor for this issue, is the global organization for those with a stake in leadership. It has a *multi-national membership* with conferences that bring together perspectives from 70 countries and cultures; a *multi-disciplinary approach* to LD, leading to unique insights and innovative connections; and *multi-sector network* between those who study, teach, develop, and exercise leadership—resulting in *best practices*. [www.ila-net.org](http://www.ila-net.org). LE

*Ken Shelton*  
Editor since 1984

*Leadership Excellence* (ISSN 8756-2308) is published monthly by Executive Excellence Publishing, LLC (dba Leadership Excellence), 1806 North 1120 West, Provo, UT 84604.

### Editorial Purpose:

Our mission is to promote personal and organizational leadership based on constructive values, sound ethics, and timeless principles.

### Basic Annual Rate:

US \$99 one year (12 issues)

### Corporate Bulk Rates (to same address)

Ask about logo and custom editions and foreign bulk rates.

### Article Reprints:

For reprints of 100 or more, please contact the editorial department at 801-375-4060 or email [CustomerService@LeaderExcel.com](mailto:CustomerService@LeaderExcel.com). Permission PDF US: \$75.

Internet Address: [www.LeaderExcel.com](http://www.LeaderExcel.com)

### Submissions & Correspondence:

All correspondence, articles, letters, and requests to reprint articles should be sent to Editorial Department, Executive Excellence, 1806 North 1120 West, Provo, Utah 84604; 801-375-4060, or [editorial@LeaderExcel.com](mailto:editorial@LeaderExcel.com).

### Customer Service/Circulation:

For information on products and services call 1-877-250-1983 or email: [CustomerService@LeaderExcel.com](mailto:CustomerService@LeaderExcel.com).

### Executive Excellence Publishing:

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Sean Beck, Circulation Manager

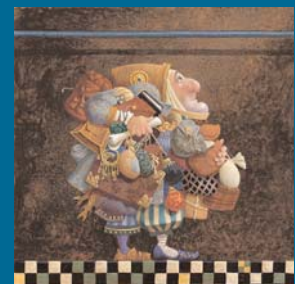
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# Winning Together

Build your culture on this idea.



by David Novak

CULTURE IS A CRITICAL element that many leaders ignore or view as *soft*—not as important as *hard results* like sales figures or ROI. Having the right culture, one that breeds positive energy and success, is crucial to meet current goals, and to achieve future ambitions. A great culture enables you to get *desired hard results*—consistently.

By *culture*, I mean the *work environment*. As a leader, what values are you projecting? What atmosphere do you create? Do people feel excited to come to work every day, feel supported and appreciated, and know they can grow? The difference between people working toward a goal because they get paid to do it versus working toward a goal because it is a rewarding experience shows up in the *hard results*.

When KFC, Pizza Hut and Taco Bell were spun-off from PepsiCo in 1997 to form Yum! Brands (formerly Tricon Global Restaurants), we did a *best-practice tour* of successful companies. When we asked people what made them successful, they didn't talk about their operating processes or even their products. They talked about their *culture* and their pride in being part of it.

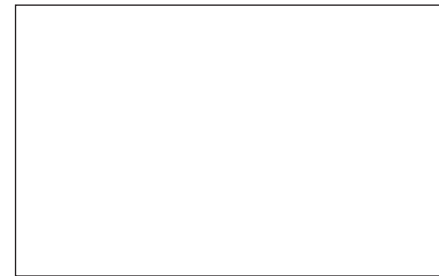
*Numbers* don't run a business—people do. When you build the capability of people first, then you'll satisfy *more customers*, which makes you *more money*. That's why *culture* is the foundation of any successful business or team.

We founded Yum! on the belief that *the best way to get results is by having fun, recognizing others, and operating with a conviction that everyone at every level can make a difference*. Today, rewarding and recognizing deserving employees is a cornerstone of our culture. We *regularly* and *publicly* recognize employees for their good work. Each leader chooses what form his award will take. Mine is an oversized pair of *walking teeth* for people who *Walk the Talk* of leadership. Our recognition culture is thriving and keeps our employees motivated and excited to come into work every day. It also helps create an atmosphere of *fun*, and *people who enjoy their work always do a much better job than those who don't*.

*Six How We Win Together principles form our culture:* Believe in All People; Be Restaurant and Customer Maniacs; Go for Breakthrough; Build Know-How; Take the Hill Teamwork; and Recognize! Recognize! Recognize! Such principles should meet *four criteria*: 1) Are they relevant to your business?; 2) Do they help make people feel as though they count?; 3) Do they make your people happy to be working where they are, enough so that they'll ask themselves, *Why would I want to work anywhere else?*; 4) Do they inspire your people to satisfy the customer and achieve results?

## Make Your Culture Come Alive

A *great culture* must be designed and built deliberately. It's the job of every person to create a positive culture and make it a big idea—and it's the leader's job to ensure everyone believes in it. How? First, *you have to know what you*



*stand for*. Next, *you have to make it known*. And then, *you have to repeat, repeat, repeat* to drive the message home.

Make culture come alive in *five ways*:  
**1. Create shared experiences.** To build this sense of a *shared culture*, everyone at Yum! receives *Achieving Breakthrough Results (ABR)* training, courtesy of John O'Keeffe, author of *Business Beyond the Box*. The program is taught to *all new employees* at all our Restaurant Support Centers. Our leaders teach ABR so they lead our culture from the front. Every level of employee attends at the same time (to show that everyone counts). It becomes a *shared experience* for all our people, a *shared knowledge* since everyone learns the same material, and a *shared language* because everyone uses the terms from the program. Things like this make people feel that they're a part of something. We also hold town hall meetings—open forums for people to ask questions or voice their opinions about what's going on in our company.

**2. Keep creating new memories.** You can't rely just on the shared experiences of last year. It's the leader's job to *make memorable moments happen*. For example, in 2007 we took our top 300 leaders (with their spouses) to Hawaii for a week to celebrate our past success and discuss how to keep it going. People talked about that trip for years later. And so I promised that we'd return in five years if we met our performance goals, which we have. So, we're currently planning another trip to Hawaii, with the same group of leaders, for 2012. Our theme is going to be *Taking People With You to Build the Defining Global Company that Feeds the World*.

**3. Cast the right shadow:** No culture takes root unless *the leader owns it first*. So *mean what you say*. As a leader, you are always onstage. People are watching you, so ensure your actions match your intentions. Model the principles of your culture yourself, and recognize when you see others living up to them.

**4. Choose the right people:** Jim Collins, author of *Good to Great*, says great companies have *cult-like cultures*. And *cult-like cultures* are *self-selecting*. When you build your team, when you interview new employees, when you review the performance of your people, *culture* should be a key factor. Ask: *Does this person fit with our culture?* When I interview potential new hires, I make it clear what we believe in. I tell them that they won't last in our company if they don't display a *belief in all people*.

**5. Make culture the hero.** Make a big deal of your culture. When your team succeeds, show how the culture helped make it possible. For example, I might recognize team members from IT for excellent *Take the Hill Teamwork*. Or, I might recognize marketing team members for *Going for Breakthrough*. When I visit a restaurant, I might recognize someone delivering great customer service for *Being a Restaurant and Customer Maniac*. I do this publicly to make those people feel appreciated, and to reinforce the idea that *our culture is helping our organization get great results*.

Every culture should include certain *beliefs* that people stick to, *no matter what happens*—since those things guide you. When you create a culture where *every person* feels that they are part of a team and contributes to its success, you create a situation where people do *great things*. For us, the ideas that *we believe in all people* and *we put them first* guide us. LE

David Novak is Chairman and CEO, Yum! Brands and author of *Taking People With You: The Only Way to Make Big Things Happen*. Visit [www.Yum.com](http://www.Yum.com).

**ACTION: Make your culture come alive.**

# Physics of Leadership

*Wave mechanics and creating a life.*



by James Marshall Reilly

**Y**OU DON'T HAVE TO BE a student of quantum physics to understand that *energy* and *momentum* are related, or to recognize that businesses and leadership operate under many of the principles basic to *wave theory*. If we think of a *leader* as a *moving disturbance in space and time that results in a transfer of energy*, the corollaries between wave theory and leadership mechanics become intriguing. In leadership, the tacit mandate is to create a *wave*—that fluid, ongoing disturbance that results in a transfer of energy.

Last year, I gained a macroscopic understanding of *leadership* and *success* by interviewing highly accomplished young leaders and social entrepreneurs for my book, *Shake the World*. I was interested in understanding how a specific pool of individuals had achieved massive success at a young age, and how they had engineered their successes in such a way that they not only spurred strategic innovation, social impact, and impressive revenues, but also crafted ideal lives for themselves and for those around them.

When I set out, my premise was that *if I could extract commonalities among these leaders, I could formulate some guiding principles that could be implemented by anyone interested in creating or redirecting a life/work success vector of their own*. What became clear is that *what is fundamental to quantum physics is also fundamental to the leadership mechanics*—to be an effective leader and create a perfect life/work flow, *you have to transfer energy and generate a wave*.

Each person I interviewed is a *stellar leader*—engaged in a life-altering venture. Whether they built for-profit companies worth many millions of dollars (for example, Tony Hsieh of Zappos), or were involved with philanthropic organizations that serve global need (Doug Ulman, CEO and President of LIVESTRONG; or Jessica Jackley, cofounder of Kiva.org), they created ventures that are so aligned with who they are as individuals that their life and work have become genuinely

symbiotic. And this manifests in a manner that is evident in the day-to-day operations of their enterprises.

Yet, most of them don't have bookshelves populated with the works of Dale Carnegie, Marcus Buckingham, or Peter Drucker. Nor do they attend many coaching sessions on leadership techniques. Some of them don't use—or even know—the buzzwords of *leadership speak*, but they lead every day on a grand scale. What is evident is that they transfer a lot of energy, thereby empowering those around them to do the same. This is where *quantum physics* and *wave theory* come in.

**To transfer energy, a vehicle of transport is required.** Consider an *acoustic wave*. Wave theory dictates that to create *sound*, you need a medium—for example, a guitar string. Without the string there is no audible acoustic wave. And if there



is a string, but it is wound too tightly, it will snap, rendering it unable to produce sound. Conversely, if the string is too loose, it will make no sound either. One principle of wave mechanics is that the *vehicle of transport* or *medium*—the guitar string—can be neither infinitely taut nor infinitely pliable. For a leader, the vehicle—the string—is the people being led. If the people being led don't respond to the leader—the moving disturbance in time and space—because they are either too taut, or too pliable, there will be no transfer of energy. So, one principle of great leadership is to ensure that the people being led are *properly strung*, and one way to ensure this is through *authenticity of message*, *authenticity of action*, and *authenticity of heart*. Or call it *simplicity*, *transparency*, and *integrity*. These are qualities of great leadership, and are also the qualities needed to build a successful enterprise and craft a fulfilling life.

When we think about *leadership*, we often think of learned strategies or characteristics like being an *innovative thinker* or an *objective decision maker*. But we seldom hear about *authenticity of message*. But if you want to transfer the most energy and make the largest wave, *authenticity trumps just about everything*. By looking at the leadership at MAYA Design or TOMS, or NGOs like Kiva.org, you see that *authentic leadership creates a success wave of momentous proportion*.

As Mickey McManus of MAYA told me in regard to structure, “We’re flat.” MAYA operates with complete transparency, gives employees flexible time off, and shares 20 percent of their quarterly profits with everyone at the company. Employees can both teach and take classes at nearby Carnegie Mellon, bring their kids to work, and launch businesses of their own while on the company payroll. In some cases, these side businesses have turned into multi-million dollar companies. Then look at the authentic nature of Kiva’s *microloans*, or the TOMS’ promise that “With every pair you purchase, TOMS will give a pair of new shoes to a child in need.” These leaders transfer energy through authentic message, action, and heart.

To further understand leadership in wave theory terms, look at leaders who have had abrupt and precipitous falls from grace—leaders who were making waves and transferring energy and then suddenly stopped. Tiger Woods, for example, didn’t suddenly get *bad* at golf. And yet he did. Because he lost his authenticity, he found it difficult to lead on the golf course. When you lose your authenticity, you lose your source of energy—the people who believe in you.

One principle of quantum theory is that *the individual oscillations and energy released by the sub particles only matter when they create a larger wave*. When we think of leadership in these terms, we understand Tiger Woods’ fall from grace, why Tony Hsieh of Zappos could build a billion-dollar company, and why MAYA is seen as *one of the best companies to work for*. Clearly, *the best leaders generate disproportionate energy by being authentic, and a healthy dose of authenticity enables leaders to transfer energy to those around them in an expeditious and infectious way* enabling them to create the life they want to live. This approach to creating a life rooted in *positive culture* and *authenticity of message* is highly effective regardless of scope, industry or application. In fact, it can shake the world. LE

*James Marshall Reilly is author of Shake the World: It's Not About Finding a Job, It's About Creating a Life (Portfolio | Penguin).*

**ACTION:** *Apply the physics of leadership.*

# Powerful Pause

*Listening is leadership.*



by Kevin Cashman

**E**FFECTIVE LEADERS speak to influence and motivate; exceptional leaders listen to learn, collaborate and innovate. Of all the core competencies critical to sustained leadership, listening is at, or near, the top of the list. As Calvin Coolidge put it, “no man has ever listened himself out of a job.” Yet, listening is rare for many leaders, and this lack of listening is one of the key reasons leaders derail.

A startling 67 percent of new leaders fail within 18 months. Why? *Lack of listening.* Why do teams often break down? *Poor listening.* Why do relationships, in general, fail? *Inadequate listening.* **Leaders, in general, are poor listeners.** In fact, the greater the position of power, the more elevated the propensity to discount advice, mainly due to inflated self-confidence. Often, *we as leaders are more confident in ourselves* and our past experience than trusting of others and their experience and insights.

After 30 years of advising CEOs and senior leaders, we have observed **three pitfalls** to inadequate listening:

- **Listening pitfall 1: Hyper self-confidence.** When we see ourselves as the quintessential expert, the most experienced or accurate person in the room, we position ourselves to fall into a listening black hole. Others with valuable insights defer rather than speak up, diminishing rather than strengthening leadership teams. The kiss of death for collaboration, connection, and innovation is moving too quickly to our own perceived “right” answer. Slow down. Challenge yourself. Pause to listen a few minutes longer. Learn to lean in and learn from others.

- **Listening pitfall 2: Impatience and boredom.** When conversations or meetings don’t reflect our point-of-view, we may get impatient or bored. Our inner voice, drowning out other voices, says, “They are not getting it!” They may not be getting your idea or solution, but they are getting something, possibly something valuable and hidden to you. If we are too caught up in our judgmental self-conversation, we can never genuinely listen and hear what

is going on around us. We lose on multiple levels: we don’t learn; we don’t know what is happening; we don’t connect, and we don’t innovate. Fight your impatience and boredom by looking deeper. Pause to question: *What are they seeing and understanding that I don’t see? What are the beliefs underneath what is being said? What are the hopes and fears underneath the surface?* If you look at things in this new or different way, what would be the implications? Challenge yourself to stay engaged by looking deeper. Remember, you can always disagree later, but as St. Francis advised, “seek first to understand.”

- **Listening pitfall 3: Bias for action.** Listening is challenging because *we want to do something*, not just hear about it. We are certain we know the solution and urgently want to fix it. However, as a leader, it’s not wise to rush in with the answers, unintentionally creating



dependency and stunting the growth of others. Let groups struggle and strain longer, to grow, and to explore their own ideas and solutions. Listen to how they are collaborating, resolving conflict, and problem solving. Pause more and step in only when necessary. Sometimes leading is the discipline of getting out of the way for others.

*Avoiding pitfalls* is only part of mastering *the art of listening*. You enhance effective listening with three **Powerful Pauses**:

- **Powerful Pause 1: Balance self-confidence and humility.** Recently, I advised a CEO and his team in a talent review process. The CEO was very supportive of one up-and-coming talent. I asked, “Why do you love this candidate?”

He said: “He knows when to be self-confident and when to be humble, to learn and to collaborate.” Knowing when to assert your point-of-view and knowing when to listen is the mark of great leadership. Exceptional leaders know when to be *receptive*—to be hum-

ble, listen, and learn, and when to be *assertive*. *Humility* keeps leaders open to learning; *confidence* compels leaders to serve, share, and create value through innovation. Leaders need to do both. When we *overdo the self-confidence* and *underdo the humility*, our listening suffers. Without humility, we will never listen. Why? We are always right!

Humility begins with *self-awareness*—*deeply* knowing your strengths and vulnerabilities, and *what you know* and *do not know*. Humility requires an attitude of wisdom that keeps you open to more learning. When you *know yourself* well, your authentic self-confidence and authentic humility are available.

- **Powerful pause 2: Grow others.** *Pausing* to listen to the needs, concerns and aspirations of our key people is crucial to growing talent. If you rush from meeting to meeting, project to project and rarely pausing to check in with your key people, your risk mounts.

Growing others requires mastery of the art of coaching, and great coaching involves two core skills: deep listening and deep questioning. At the end of every discussion . . . pause . . . and ask a meaningful core question: “*How are you doing? What is energizing you? What is draining you? What are your biggest challenges? What are your aspirations?*”

Having these deep developmental discussions—really engaging people—communicates care and connection. Pausing to grow people by taking them deeper will help to elevate the business conversation from management tactics to leadership excellence.

- **Powerful pause 3: Innovate.** Cultivating innovation may be the critical, strategic role for leaders today. Volatility and dynamic change compel us to come up with the new and the different. Challenging our teams to *go beyond* and then listening to their approaches is critical to getting more *innovation ready*. However, all innovation begins with self-innovation: *you must become the change you wish to see*. Leaders must become skilled innovators. After you embody vision, you must articulate it to stretch towards innovation. Then your job becomes: observe, question, listen and challenge. Over time, the proper balance of this interaction, the *new* and the *different* emerge frequently.

**Practice the powerful pause of listening, the counter-intuitive step backwards, to have greater impact as you step forward.** LE

Kevin Cashman, Senior Partner, CEO & Board Services, Korn/Ferry, Intl. is the best-selling author of Leadership from the Inside Out. Visit [www.leadershipfromtheinsideout.com](http://www.leadershipfromtheinsideout.com) or email [Kevin.Cashman@kornferry.com](mailto:Kevin.Cashman@kornferry.com).

**ACTION: Listen to improve your leadership.**

# Leading with Trust

*The context today has changed.*



by Charles H. Green and Andrea P. Howe

**YOU CAN'T LEAD WITHOUT TRUST.** That truism may strike you as being so obvious that it becomes a platitude. We believe it is a powerfully meaningful statement—when it's grounded in the economic, cultural, and political reality of today's business world (context).

Some terms can't be defined outside a context. That is true of *leadership* and *trust*. One issue of *Leadership Excellence* defined *leadership* as being about: *vision, performance, critical thinking, emotional intelligence, maturity, passion, influence, social skills, purposefulness, and moral intelligence*. None of these concepts are necessarily wrong, but *without context, they amount to a cacophony*.

The challenge: *trust* may be more Babel-like. We say "*trust* in banks is down," but does that mean that *banks* are less trustworthy—or that *people* are less trusting? We say, "*Trust* can be destroyed in an instant," but many failures of trust—Madoff, Toyota, Penn State, for example—came about only after years of accumulated moments.

Combine *leadership* and *trust* and you have a metaphysical debate: "full of sound and fury, signifying nothing." Unless, that is, we define some *context*.

## New Business Context

A decade ago, the operative belief systems in business were those forged in the 70s and 80s. Jack Welch ran GE based on the principles of *the three Michaels*: Porter, Hammer, and Jensen:

- Business is about competition.
- Be *number one or two* in your markets.
- Be the *lowest cost provider*, outsourcing as needed to do so.
- Shareholder value is both the primary goal and measure.

*The leadership corollaries of those beliefs were clear:*

- Leaders are elite and few.
- High-potentials should be trained.
- Leadership *succession planning* is vital.
- Vertical relationships, based on *power and inspiration*, are critical to *leadership*.

- Horizontal relationships, based on contracts and markets, belong more to *strategy* than to *leadership*.

*That belief system ran into a brick wall of changing technologies, markets, and political systems.* Automobiles are built these days by consortia, not by companies. The financial system, based on *competition*, collapsed because it was in fact *interdependent*. Innovation and wealth creation are happening not just *within* but *across* and *between* companies in morphing forms of collaboration.

*Today the old beliefs are in full retreat.*

Michael Porter preaches *shared value*, not *shareholder value*.

Michael Jensen has recanted. Alan Greenspan has said his beliefs about markets were wrong. The dean of Harvard Business School, Nitin Nohria, talks about trust.

In 2000 *The Trusted Advisor* was written, we

(Charles, David Maister, Rob Galford) didn't make much of the connection between *trust* and *leadership*. Today, it's everything because businesses:

- Are less hierarchical, more diffuse, cloud-like, network-based
- Are more complex and interrelated
- Can be sliced, diced, and *reconfigured* in both process and financial terms
- Are not just multinational and multicultural, but extra-national and extra-cultural—they are in many ways *virtual*.

Whether you call this world *flat* or *cloud-based* or *wired*, it represents a serious challenge to old ways of thinking about leadership. Today's leaders: have less direct, authority-based political power; must be more skilled at collaboration and influence; must rely more on principles; must motivate more intrinsically; and must follow as well as lead. Their leadership affects both *horizontal* and *vertical* relationships.

*These characteristics sound a lot like trust-based relationships:* relationships in which all parties become adept at both trusting each other and at accepting the responsibilities of being trusted.

The new leadership really is different from the old leadership: because, in turn, the context *really has* changed.

## Trust Can be Learned

Since trust can be learned, *leadership development* must focus on *teaching trust*,

clarifying three issues:

- **Trusting and trustworthiness.** Most people want to focus on having *others* trust *them* more. One route to being more trusted is, of course, to *actually become more trustworthy*. Another aspect is reflected in Henry Stimson's quote, "The fastest way to make a man trustworthy is to trust him." Trust is mutual. As a result, leadership trust training has to teach people *the dance of trust*, learning how to both lead and follow—to trust *others* as well as to be *trustworthy*.

- **Risk.** Ronald Reagan enshrined *fuzzy-think* about trust when he quoted the Russian proverb, "Trust but verify." If you intend to *verify*, you are not *trusting*. And if you *trust*, you incur some risk, as *risk is the essence of trust*. The key dynamic about risk is that of *commission* and *omission*. Most trust fails because

we are overly fearful of *small initial risks*. But if we don't take them, we guarantee the risk of longer-term trust failure. *Short-term failure avoidance guarantees long-term failure*. The core of *trust-based leadership training* consists in learning to take *socially acceptable, intelligent, emotional risks*.

- **Virtues and values.** Flat, fast-moving business suggests greater reliance on *values*, less on rigid *processes*. At the individual level, we need to *shift from skills to virtues*. The old world was *competitive* and didn't require *relationships*. Today, *personal virtues are the coin of the realm*; we don't trust people who don't operate by some *moral code* and use moral language in their relationships.

The values and the virtues of *trust-based organizations* are straightforward:

### Values (organization-wide):

- *Customer-focus*, for customer's sake
- A habit of *collaboration*
- A mindset of *long-term relationships*, not short-term transactions
- A default instinct for *transparency*, except where illegal or injurious.

### Virtues (personal):

- *Credible*: telling the whole truth
- *Reliable*: integrity of word and deed
- *Intimate*: commitment to discretion; to see, respect, and relate to others' feelings; willing to take risks and constructively confront when necessary
- *Low self-orientation*: calmly, objectively deal with emotional and political realities, both yours and those of others.

To gain collaboration, *lead with trust*. LE

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**ACTION:** Teach trust in your LD program.

# Trustworthy Leader

*Promote more virtue, less greed.*



by Amy Lyman

VIRTUOUS ACTS—OFTEN linked with *goodness, integrity, and righteousness*—are much more useful in leadership than is *greed* (often linked with *selfishness, deception and theft*). The two concepts are polar opposites: one exists in the positive realm and is characterized by aspirations of good works; the other falls into the negative realm and is characterized by the limitations of taking what is not rightfully yours.

Since the demarcation between virtue and greed are so clear, why is greed so often associated with business? And how do we change that?

We rarely hear stories about honorable, virtuous business leaders, and yet such leaders do exist. They do good works, their companies are successful, people love to work for them, and they are trusted. Perhaps one reason we don't hear more stories about these leaders is that *people are not sure what to look for when searching for them*.

Having worked with virtuous trustworthy leaders for 20 years, I here share *six elements* that create the platform that they use every day:

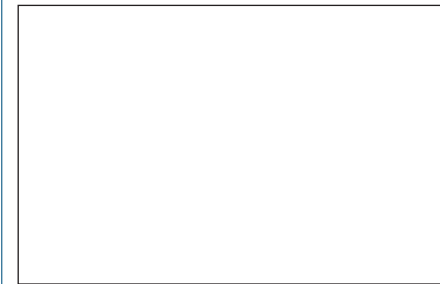
**1. Honor.** Virtuous leaders lead from a deep sense of *the honor of leadership*. When I ask leaders of *Best Companies to Work For* why they do what they do, they speak of the luxury of getting to help others, the joy they experience in seeing people excited about their work, and the competitive thrill that comes from winning a new contract or client because of the quality of work and the company's positive stance.

**2. Humility.** When these same leaders talk about themselves, who they are and what they've accomplished, *humility* enters the conversation. Virtuous leaders spend more time focusing on the lessons they've learned in service to others than on any *greatness of stature* that could be accorded to them.

**3. Reciprocity.** These leaders also practice reciprocity, never for a moment resting on the fact that they have already given a lot to others. As leaders they know that their actions begin the process of give and take that happens within any great workplace.

**4. Gifts.** To start a *cycle of reciprocity*, start giving something to others with no expectation that it will be returned to you. A useful gift that is shared sincerely, with openness and attention to the recipient, often inspires the recipient to give again. Trustworthy leaders give several gifts: useful information, training that supports development, practical advice, genuine attention, honest answers to tough questions. And people then give back: hard work, creativity, great customer service, attention to detail—all necessary for the successful operation, yet nothing that goes back to *the leader* who started the process.

**5. Awareness.** Virtuous leaders have *position awareness*. They step outside of their role and be part of the team. They help people to feel comfortable around them, which makes *reciprocal exchanges* easier. They even follow others at times when their leadership is the most



appropriate. A virtuous leader who is comfortable as a person will move among people with comfort as well.

**6. Power.** The power that comes with a leadership position never goes away, yet virtuous leaders use their power to get things done that benefit others, not just themselves. That sounds counter-intuitive to *the mythology of leadership*, yet great leaders use their *position and power* to benefit others. If all works well, that benefit will also be of help to the leader—and yet that is not the focus.

## Four Sources of Honor

Four things help virtuous leaders develop/sustain honorable leadership:

**1. They examine the past.** They don't dwell in it yet they do examine it, asking themselves: how they could have handled something differently, realized a more successful outcome, or done a better job of bringing people with them as they moved forward. They examine the past relative to their specific tactical

responsibilities as a leader and with respect to their use of the virtues they aspire to have in their lives.

**2. They learn from their mistakes—as well as the mistakes of others—and carry the positive forward.** When examining the past, they don't just continue on as before, only trying harder with the same tactics and tools. *Examining the past, learning, and doing something different calls on humility and openness to change.* Leadership requires *forward movement*—and doing things better as you go forward. Virtuous leaders move forward from their platform of honor—looking at what has happened previously and examining the interactions and decisions relative to a commitment to being virtuous. Since virtuous behavior will help them to be more successful in the future, they examine the past through the lens of virtues.

**3. They move forward in their own way.** There are no copycats among great leaders. Each leader's approach is unique, as each leader has developed a personal stance about leadership that shines through. People will follow a great leader who is distinct, even when they can describe that person's behaviors as sharing common qualities that they admire in others. Great leaders share characteristics with other great leaders yet implement them in unique ways. It is the trustworthy leaders *personal signature* that goes on any action.

**4. They use their own developmental path to help others develop into virtuous leaders.** One leader spoke of *the best leaders as net exporters of talent*. Great leaders help others to develop their skills and abilities. As a result, they may have *higher turnover*, as others recruit these new leaders to their group. Virtuous CEOs make it clear that *helping people to develop their abilities is a beneficial act of leadership and should be rewarded*. So, if the turnover is due to newly developed virtuous leaders moving around the company—it was a good thing. It was an act of *being virtuous*, not *greedy*.

How could you change the focus to promote *virtuous behavior* over *greedy behavior*? Commit to doing what is honorable. Aspire to virtues that reflect the honor of leading, act in ways that are consistent with those virtues, measure your actions through feedback from others, report to your team and colleagues on what you've learned from the feedback, and then renew your aspiration to be an honorable leader. LE

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**ACTION:** Be trustworthy to promote virtue.

# Visionary Leaders

*They need to institutionalize their V-ness.*



by Les McKeown

HAVING A VISIONARY leader can be a competitive advantage. All other things being equal, the *Visionary* leader (strategic, creative, charismatic, communicative) will produce greater step change and higher growth than the *Operator* leader (driven, tactical, focused, determined) or the *Processor* leader (process-oriented, systems focused, iterative, conservative).

The problem comes when it's time for the *Visionary* leader to move on. Whether it happens by choice (Bill Gates), ouster (Michael Eisner) or death (Steve Jobs), the *Visionary* often leaves behind a vacuum rather than a legacy. The reason? Any organization of size is typically populated with *Operators* and *Processors*. So when an *Operator* or *Processor* leader moves on, they leave behind an underlying *Operator* or *Processor* framework that can (relatively) easily be managed by a successor uber-*Operator* or *Processor*.

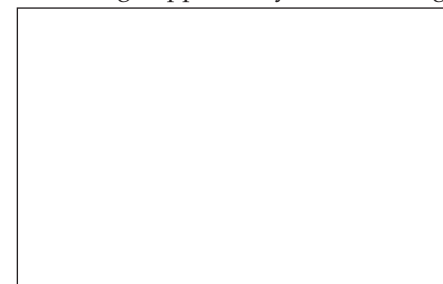
The *Visionary* leader is often the personification of the vision. So when they leave, the vision crumbles (see Howard Schultz, Steve Jobs, Michael Dell and Ted Waitt when they each left their companies for the first time). Unlike the *Operator* or *Processor*, the *Visionary* often fails to leave a *visionary framework* that can carry forward their legacy and maintain the vision. *Visionary* leaders frequently *personify* their organization's leadership and vision and, unlike the *Operator* or *Processor* leader, fail to *institutionalize* it.

This doesn't need to be so. Like Sam Walton, Estee Lauder, Robert Johnson and Herb Kelleher, with planning (and commitment), a *Visionary* can institutionalize their *V-ness* and leave behind a lasting visionary framework. To do so, take these *six steps*:

**1. Have a talk with your ego.** Of the *three natural leadership types*, *Visionaries* are most defined by their particular style. While *Operators* and *Processors* can be just as proud of their leadership achievements (and rightly so), they have a lesser need to be seen for what they are. *Visionary* leaders need to be

seen as the alpha-*Visionary*. Hence, it is hard for a *Visionary* to happily co-exist with other like-minded people. They often drive out lesser *Visionaries* to preserve their position in the pecking order. Hard-wiring visionary leadership into the enterprise requires encouraging—not eliminating—other visionary leaders (accepting the existence of other visionaries as a good thing, to be encouraged—a strength, not a threat).

**2. Step back from the front line.** Once you decide to institutionalize *Visionary* leadership, the time involved and the need to be protective of the seeds you sow mean that it's *unlikely* that you'll succeed while managing the business full time. You may begin to institutionalize the vision, only to find your efforts choked by the sheer volume of other responsibilities, or stunted because of the too-high opportunity cost of taking



your eye off the operating needs of the business. *Institutionalizing your vision is best done at a time when you can lighten your operational load.* Look for times when you can shift some duties to trusted colleagues—windows when you feel less stressed, less committed—and hand over some responsibilities.

**3. Change your hiring process.** If you have been the personification of the vision, your hiring process downplays *Visionary* attributes (such as creativity, initiative and controlled risk-taking), and emphasizes *Operator* and *Processor* attributes, such as systems thinking, execution skills, and compliance.

Hiring is the lifeblood of capability, and only through hiring can *Visionary* leadership be introduced in its natural form (you can mentor, coach and train *Operators* and *Processors* to emulate the *Visionary* mindset, but it's not the same thing). Begin by identifying the key roles you wish to see *Visionaries* occupy over time, and examine the hiring pro-

file. Add the *Visionary* characteristics you think are important for the role, and get involved in the hiring process for those roles. You may need to move incumbents out of those positions to get the process under way.

**4. Change how you deploy people.** *Institutionalizing visionary leadership won't happen simply by dropping an individual Visionary leader into each major division or department and leaving them to do their thing.* All that achieves is to decentralize your personified vision. The goal is not to enlist a cadre of *Visionaries* who replicate in their fiefdom a smaller version of your personified *Visionary* leadership. Doing so multiplies the very weakness you are trying to eradicate—dependence on one person. Instead, deploy company-wide your newly hired *Visionaries*, using job-sharing, job-swapping, cross-functional teams, internal hiring, and placements to ensure they rotate. Build the muscle of visionary leadership without developing a dependency culture.

**5. Mentor and coach.** If you are the *vision personified*, to institutionalize your vision, you must mentor and coach others. You can mentor the newly hired *Visionaries* on what you expect from them, about what your vision is; how it shows up; how to protect it and grow it. You can coach *Operators* and *Processors* on how to interact with the *Visionaries*: how to understand each other's thought processes and communication styles; how to work together as a cohesive team for the good of the enterprise.

**6. Integrate and protect.** The process of *institutionalizing* a personified vision is tricky, even dangerous. *Operators* and *processors* feel threatened by new *Visionaries*. Veteran employees sense the culture is becoming more bureaucratic. *Big dogs* (who had the *Visionary* leader's ear) fear their high-level access is losing its value. Front-line employees can, at first, misinterpret the institutionalization of the vision as *disengagement* by the *Visionary* leader. What should be an *exciting process* can be a *fear-tinged drift*.

Institutionalizing your vision does not mean *disengaging*. To the contrary, you must, for a while, be even more accessible. However, this *heightened accessibility* is now about the *process*, not the *vision*. Town halls, group and team meetings, one-on-ones, online FAQs—utilize *every vehicle possible* to explain, *persuade* and *evangelize* the new process. **LE**

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**ACTION: Take these six steps.**

# Leadership Development

*Let's all take a fresh look at the field.*



by Kathryn Gaines

LEADERSHIP DEVELOPMENT is a booming \$60 billion-a-year industry. The subject is of interest to anyone who lives and works in organizations, communities, and teams—and it is an investment well worth making. The selection available of publications, workshops, degree programs, instruments, assessments, and other products and services aimed at improving *leadership effectiveness* can be daunting for those of us charged with providing *leadership development* (LD). There is also the risk of falling into traps and habits that don't maximize the payoff of this valuable investment. So, I invite you to take a fresh look at how you are implementing LD, and how you might deepen and expand leadership capacity by stretching and updating your LD.

## Event or Integrated Process?

Sometimes LD is sidelined as a function of HR and *Organizational Learning*, with either the same training programs being recycled year after year or a new program offered every quarter ala *flavor of the day*. Either way, a superficial check-the-boxes approach to building leadership won't take us far. We need to ensure that our efforts are more than event-based training programs, and are *integrated processes* central to the mission we serve and threaded through the work that we do. Strong courses and curricula are valuable for LD and can serve as important anchors in the process, as long as they are paired with other modes, including feedback and assessment tools, coaching, action learning, mentoring, role modeling, reflection, facilitated retreats, and structured job experiences. In this way, LD can be something we do along the way as part of our work, not something additional we do on the side if we have time. This means that executives, managers, and peers provide LD along with training and learning professionals as a part of everyday meetings, conversations, and projects so that LD is an ongoing, integrated process rather than a periodic event.

## Individual Practice or Org Capability?

In most organizations, LD centers on *building individual skills and knowledge*. This approach takes us part of the way. We then need to cultivate the capacity of the culture, climate, and systems of our teams and organizations to support effective leadership. Possessing a skill or knowing how to implement a practice does not mean much if it is not applied. Furthermore, there is a difference between the ability to use a skill and the ability to discern when to use it or how to adapt it to the circumstances. Leadership is a social process, not an individual skill. Yes, we use skills and practices to engage in leadership, but leadership is more than those skills and practices. Leadership capacity can be fostered as an element of the organizational system and culture.

The culture and climate of the team or organization will impact the type of



leadership that is created. The culture of the group effects how people engage in leadership, and that impacts team and organizational outcomes. LD is just as much about cultivating a particular context and attending to team systems and processes as it is about individual behaviors and performance. Those in LD need to note how the norms, politics, power, history, structure, systems and processes impact the leadership process, including who engages in leadership and when and how they do so. Noticing the factors that influence who participates and who does not and intentionally inviting, including, and encouraging can facilitate LD as an *organizational capability*. The tools and techniques of *Organization Development* can be applied to purposefully build leadership as an *organizational resource* that can be used strategically.

## Old School or 21<sup>st</sup> Century?

Since the roots of leadership grew

from varied disciplines, LD tends to get diluted and mixed in with training and education in management, supervision, communication, and influence. Many *old school* LD programs make no distinction between *leadership* and *management*, or presume that a leader is someone with formal authority over another, or that *leadership* means gaining compliance rather than building commitment. New research, theories, and models of leadership inform how leadership is developed, including: the study and practice of leadership as a complex system, rather than a mechanistic or linear one; the distinction between developing leaders and leadership; leadership as a way of being, not a way of doing; the pivotal role of the follower in the leadership process. These approaches provide valuable new insights and learning.

Those of us engaged in LD need to stay up-to-date with new practices. Several associations have segments and tracks on leadership. The *International Leadership Association* (ILA) exists solely to serve those who study and practice leadership. The ILA brings together scholars, educators, consultants, coaches, and practitioners to exchange and learn from one another, providing a full, integrated, global view of leadership and LD. A key step in applying the newest insights and techniques and providing innovative LD is to become involved in a professional community such as ILA, to network with others, learn, share your experiences, and deepen your practice.

## Recommended Actions

I suggest a *both-and* approach to how LD is offered. We need events, as one element of an *integrated LD process*. We need to build leadership as an individual practice *and* an organizational capability. We need to appreciate leadership from many different perspectives. I suggest *three simple action steps*:

1. Identify how you can extend LD beyond event-based skills training and incorporate it into an *integrated process*.
2. Consider ways you can build leadership as an organizational capability, part of the culture and systems, extending beyond individual practices.
3. Determine how you'll be part of an active community of practice, such as ILA, to stay current and share your insights and learning about the practice and development of leadership. LE

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**ACTION:** Take these three actions steps.

# Managing People

*It's how you gain competitive advantage.*



by Vincent J. Natoli, Jr.

**L**EADERS FACE RAPID change, economic uncertainty, and major competition, making it difficult to survive and prosper. One key way to prosper (and possibly the *only sustainable way* to gain a competitive advantage) is by *efficiently managing employees* (resulting in revenue growth and cost reduction). This requires understanding *how organizations deal with employees and how employees react*—a process I call *employee survival* (the employment equivalent of life and death in a biology system).

To understand *employee survival*, you first need to understand *authoritarianism theory*. Authoritarianism consists of **three attitudinal clusters**: *aggression*, *submission*, and *conventionalism*. An organization high on these three clusters is high on *authoritarianism*; and one that is low, is low on authoritarianism. Authoritarians are more likely to use punishment to control others, and the targets of their punishment tend to be out-group members. Authoritarian punishment is triggered by feelings of self-righteousness and perceptions of the world as a dangerous place. High authoritarians are likely to submit to the conventions of authority figures. The process of *employee survival* is based on an authoritarianism congruence between the employer and employee.

## Starting with Recruitment

*Employee survival begins in recruitment*—where the employer and applicant bring their authoritarian attitudes to the labor market. The parties initially are attracted to each other for general and scant reasons. Their initial probing of each other begins the process of *authoritarianism congruence*, and an employer who feels the applicant will not submit to conventions won't invite the applicant for further assessment. The applicant, similarly, will withdraw from the hiring process if unwilling to submit to the conventions.

## Selection Process

The *selection process* begins after the parties finish recruitment and enter a

deeper probing of the *authoritarianism fit*. Employers will not hire incongruent applicants; and applicants will withdraw if uncomfortable with the fit. While the employer's purported economic purpose is to select the *best applicants* for the job—those who provide the highest economic return, this often is not done. The *performance validities of employee selection methods* imply that the employers do not hire applicants who will provide the *highest economic return*.

The *performance validities* of these selection methods range from low to high: unstructured interviews, references, personality tests, work samples, ability tests and structured interviews. The unstructured interview (the most prevalent employee selection method) has the *lowest validity*. The structured interview, which removes much interviewer discretion, has the *highest validity*.

As the hiring authority's discretion in selection decreases, the quality of the hiring decision increases. This implies that the hiring authority is assessing the applicant for *authoritarianism fit* and not *job performance*. The selection process ends with a higher authoritarianism congruence between the parties.

## Once on the Job

After the applicant is hired, he's given several *formal socialization processes* to encourage him to comply with the employer's conventionalism. Socialization further tests the authoritarianism congruence between the employer and employee. Some employees willingly submit to the employer's conventions and continue their employment with a high level of job motivation and organizational commitment. Some employees refuse to submit and quit or face aggression in the form of a discharge. Other employees unwillingly submit and continue their employment with

reduced motivation and commitment.

As the employee continues his employment, conflicts arise which test the employee's submission to the employer's conventions. The employee, again, must decide to willingly submit, refuse to submit, or unwillingly submit. The employees who *willingly submit* or *refuse to submit* experience the same results as after socialization. The effects of the conflict on those who *unwillingly submit*, however, are more problematic; since they are conflicted by what they want to do and what the job requires, they enter a state of *cognitive dissonance*, which creates psychological tension, manifest in lower job performance—job motivation, commitment, productivity, quality, attendance and creativity decline. This employee may also manifest his tension through violence, bullying, or engaging in a formal complaint process—such as filing a grievance, lawsuit, or government agency complaint, or seeking union representation.

As unwilling submitters experience more socialization and conflicts, their cognitive dissonance increases, making them more likely to refuse to submit. They often *mask disagreement* with the conventions for fear of reprisal by creating *facades of conformity*—developing outward appearances of conformity by modeling others, expressing appropriate emotions, wearing proper attire, expressing agreement with the authority's opinions, acquiescing to bad decisions.

*The process of weaning-out those employees who do not fit continues over time*, resulting in employees with *high seniority* being more likely to fit their organization's conventions and achieving a greater economic gain.

As an employer's authoritarianism increases, its conventionalism narrows, resulting in more employees *refusing to submit* or *unwillingly submitting* and entering a state of cognitive dissonance. While some authoritarianism is needed to maintain structure and attain goals, too much leads to negative outcomes.

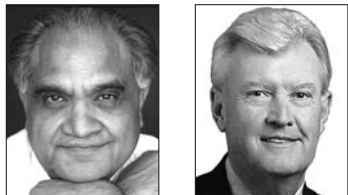
*Authoritarianism is a major variable leading to sub-optimal decisions*. *Too much authoritarianism* and the organization has low creativity and productivity, poor quality, and high turnover. *Too little authoritarianism* and the organization lacks the structure to complete its objectives, resulting in anarchy and chaos. Organizations closest to *optimal authoritarianism* will survive/prosper—those furthest from optimality won't. LE

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**ACTION:** *Effectively hire and manage people.*

# Talent Masters

*Put people before numbers.*



by Ram Charan and Bill Conaty

**T**ALENT IS THE EDGE. *NO TALENT, NO Numbers.* If firms managed their money as carelessly as they manage their people, most would be bankrupt. Most companies that control their finances masterfully don't have comparable processes for developing their leaders. No matter how much effort they put into recruiting, training, and assessing leaders, their talent management remains hit-or-miss: governed by superficial criteria and outdated concepts, dependent as much on luck as on skill. When they need a new CEO, they don't know where to look. And, by putting people into the *wrong jobs*, they waste human and financial capital when those people don't perform.

*How did this come to be?* It's clear that people make the decisions and take the actions that produce the numbers. Talent is the leading indicator of business performance. But a spreadsheet full of numbers is much easier to parse than the characteristics unique to a human being. Better to leave that to HR or search firms, particularly since the pressure to make your numbers quarter after quarter is so great that there's no time to waste on *soft stuff*. And the law requires financial reports.

Making money has gotten harder. It will remain so. In the fast-changing global marketplace, the half-life of core competencies grows ever shorter. All of the familiar competitive advantages such as market share, brand, scale, cost structure, technological know-how, and patents are constantly at risk.

*Talent will be the big differentiator between companies that succeed and those that don't.* Those that win will be led by people who can adapt to change, make the right strategic bets, take calculated risks, conceive and execute new *value-creating opportunities*, and build and rebuild *competitive advantage*.

*Only one competency lasts—the ability to create a steady, self-renewing stream of leaders.* Money is just a commodity. *Talent supplies the edge.* As Ron

Nersesian, head of Agilent Technologies' Electronic Measurement Group, says: "Our products all are time-perishable. The only thing that stays is the institutional learning and development of the skills and capabilities in our people."

*Managing people with precision is harder than managing numbers—but it gets easier once you know how.* You can analyze talent, understand it, shape it, and build it through a combination of disciplined routines and processes, and cultivate a collective expertise in recognizing and developing talent. Judging human potential is not a *soft art*. Rigorous, iterative, and repetitive processes convert subjective judgment about a person's talent into an objective set of observations that are specific and verifiable. They have embedded in their culture the habits of observing talent,

making judgments about it, and figuring out how to unleash it. They draw from their toolboxes and creative imaginations to accelerate each leader's growth. Their executives are expected to make developing, deploying, and refreshing leadership talent an everyday, top-of-the-mind part of their jobs, and they are held

accountable for how well they do it. These companies are building for the long term. We call them *talent masters*.

## Talent Masters (TMs)

Talent masters develop precision of observation, thought, and expression. They do not resort to vague clichés or rely on batteries of mechanistic tests to assess talent. Instead they study the behavior, actions, and decisions of individuals, and link these to performance. As other leaders discuss them openly, the observations become verified. They dig to understand a person's unique combination of traits—to know what the person is, describe his characteristics in complete thoughts using full sentences, and learn how the key items combine into a unified whole.

TMs become *intimate* with their talent—to know the essence of each individual. Intimacy is what makes the soft skill of judging people as hard as the skill of interpreting numbers. TMs build a depth of knowledge about people, a database in their minds. They make detailed, specific, and accurate observations. Every encounter invokes an observation. Accumulation of these observations produces a complete picture of the whole person. This deeper knowledge is the key to high-quality

decisions about leaders.

*TMs often place bets on high-potential leaders for three good reasons:* First, people facing a stretch situation aren't likely to be over-confident and are eager to learn from others. Second, it helps to retain talented people who are itching to advance and may leave if they don't get the chance. Third, successful stretches will attract better candidates in the future because ambitious and capable people will know that they won't have to wait for slots to open.

You receive huge ROI in getting to the core of a person's values, behaviors, beliefs, and talents. When you get to know a person, you can develop insights and options to speed his or her growth and development.

Insight into an individual's talents and foresight into where the leader

could go turn traditional *succession planning* on its head. Rather than *finding people to fill positions*, leaders grow their talent. The ultimate payoff is *seamless succession* into leadership.

*TMs can identify a person's talent more precisely because they excel at observing and listening.* They see *the whole person*—her skills,

experience, judgment, personality, and ability to build relationships. They *understand* the nature of shortcomings—the difference between a *fatal flaw* that will keep him from advancing and a development need that can be fixed.

TMs institutionalize this expertise. It's practiced, imitated, tracked, and learned by all leaders until it becomes second nature, part of daily processes. They integrate the development of people with the running of the business, and connect their *leadership strengths/weaknesses* with *business results*.

*Masters do this most visibly in formal reviews and social processes.* Any time people work together there's a *social process* in which they exchange information and ideas, exercise power, and express their values through what they *say* and *do*. Unlike *business processes*, where roles and goals are specified, *social processes* usually operate in the *background* as players exercise personal influence and power to *jockey for resources*. Participants, and the leader in charge, may or may not be aware of how their behaviors and dialogue shape results.

Like *business processes*, *social processes* can be managed to improve outcomes and identify and grow great leaders. To achieve *talent mastery*, you must embed talent in *social processes*.

## Seven Principles of Talent Masters

Seven principles comprise the *framework* within which TMs operate:

**1. Enlightened leaders.** They recognize that *the top priority for the future* is building and deploying the talent to get there. They create a culture of talent mastery. As role models, they're key to getting everyone on board and shaping social systems that will make or break the formal processes of LD.

**2. Meritocracy through differentiation.** *Differentiation breeds meritocracy; sameness (the failure to differentiate people) breeds mediocrity.* Too many companies automatically equate *high performance* with *achieving or exceeding financial goals*. TMs dig into the many causes underlying performance so that they can recognize and reward leaders according to their talents, behaviors, and values.

**3. Working values.** *Working values* impact how well results are delivered, because they govern how people work and behave. They're the values that both leaders and employees live by. Among TMs, *leaders develop other leaders*. TMs reinforce their values by linking recognition and rewards with them.

**4. A culture of trust and candor.** To get accurate information about *strengths and development needs*, people must talk candidly—honestly and openly. *Candor* enables keener observations, greater insight, and better descriptions. People can talk candidly only if they trust the system to respect *honesty / confidentiality*.

**5. Rigorous talent assessment.** TMs have the same goal and results orientation in their *people processes* as they do in their financial systems. They set time-based *people development goals* and discuss the why and how of them. They review people regularly and integrate the *people reviews* with others reviews, updating information as people progress.

**6. A business partnership with HR.** TMs use *HR leaders* as active and effective business partners. If the CEO doesn't have high expectations for it, HR will remain second tier. Like the CFO is the trustee of *the financial system*, the CHRO is the trustee of *the people system*.

**7. Continuous learning and improvement.** A fast-changing climate requires constant updating of their *leaders' skills* and their leadership criteria. TMs give leaders training on specific topics, and adjust their talent development plans according to the external changes.

A good team is good because of the talent of its coach and players. LE

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**ACTION:** Create a culture of talent mastery.

## COMPETENCY ■ WINNING

# Being the Best

*Make it your business.*



by Molly Fletcher

**I**N SPORTS, THE LIFE OF coaches changes dramatically when they move from being the assistant coach to head coach. Everything changes. Same is true in business when you become CEO. *So, how do you win in business when you're in the head chair?*

Moving into the position is the first step. It shows that you can lead and influence. But now you have to win when you're in that head chair—or you won't sit there for long. Now, you're responsible for the wins and losses.

The best coaches—those who have won world and national championships—do many things well, but at a macro level, *they win because they communicate the same message consistently* with their team. They don't try to get their players to like them—they get players to *buy into the collective vision* so they can win.

I've met many of the best coaches and leaders. They are all different, but they are all great executors of vision and strategy. Their formula for leading and winning starts with *passionate integrity*. They care about their players, beyond what they help them do as it relates to winning. They look at them beyond an asset to help boost stats, as a person who won't make a living for the rest of their life on a field or a court. They ensure that their people grow professionally—not just execute for them in whatever it is they need them to do at the moment. They help people see their potential for growth, why they want to grow with the team, and what happens personally and professionally for them if they grow as a part of the team. The best leaders help their teams capture this personal passion and integrity. So, if you want the best on your team, give them *the same mentoring that you needed* to get to your position as head coach.

The best leaders have *fearless focus*. I've seen the best get yelled at in the locker room, had clipboards thrown at them, been degraded on the court, but then still be able to lock in on what they need to do in those key moments

of important games. They *find focus* and *execute*, no matter how stressful the game is. The best do it over and over again. They aren't afraid of what might not go right; *they expect to win*. The best pitchers don't stand on the mound in the bottom of the 9<sup>th</sup> in the World Series and think, "I hope I don't walk him." Rather, they think, "I'm going to *smoke it* by 'em and sit this guy down."

Winning coaches have a *clear and deliverable vision* which they articulate well to their team and staff. They provide clarity as to the game plan. As a leader, you need to show people where you want the company to go so they can support it strategically in their role.

Part of this is being a *determined listener*. The best leaders listen more than they talk, and ask questions to gather the data they need. They handle themselves in a friendly, yet professional manner—always. And, they don't listen to patronize—they listen to sincerely gather information so they can make well informed decisions. For example, a manager or coach might pull in a veteran and ask them their opinion on the order of the line up. It doesn't mean they have to execute as recommended,

but a confident leader gathers enough information to provide perspective.

*Consistent discipline* is paramount to getting it done in the head chair. The best leaders set the stage for their team and their customers as it relates to their discipline and ability to sustain it day in and day out. They also have *creative*

*drive*. The best coaches have 360-degree awareness around the things that need to happen for them to go to the next level. They see an obstacle clearly, but find creative ways around it. That creativity *differentiates them* from the pack.

The best coaches and CEOs expect to *execute*. When football running back Barry Sanders scored a touchdown, he would calmly hand the football to the nearest referee. Why? Because scoring touchdowns is *what he was expected to do*. He sent the message: "I am here to *score touchdowns*, and I'll do it again."

The best leaders *expect* to have good margins and be profitable for shareholders. I hope these reminders, from *passionate integrity* to *perfect execution*, enable you to embrace the head chair and win your world championship. LE

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**ACTION:** Be the best in your business.

# Say You're Sorry

*Apology boosts performance.*



by John Kador

WHAT SHOULD LEADERS say when they make mistakes or suffer setbacks? There are only *two options*:

**Plan A is to hunker down and hope that no one notices, disclose nothing, admit less, be stingy with facts, and, when pinned down, delay and blame forces beyond your control.** The business, under Plan A, is a fortress. The only protection is to keep the moats filled and the gates lowered. Besides, apologizing shows weakness and indecision. Leaders can't allow their followers to get rattled at this perilous time. Isn't an *apology* akin to an admission of liability that will be turned against you when the lawsuits start flying? The lawyers, will always give you cover when you go with Plan A.

**Plan B is to recognize that business is now conducted in a hyperconnected world where transparency rules, secrets are impossible, information cannot be controlled, and accountability is assigned regardless of how a CEO ducks and weaves.** The business, under Plan B, is akin to a college campus where the unfettered flow of information lets everyone see deeply into *who they are*, what they stand for, and how much integrity they have. This accountability allows you to turn the conditions of transparency to your advantage.

**Within months of each other in 2006, two CEOs came under fire for misstating their academic credentials.** One was forced to resign; the other is still CEO.

- **David Edmonson**, CEO of RadioShack, admitted that the company's web site gave him a credential he never earned, but he never apologized and was forced to resign. A candid and immediate apology might have saved his job. But he made **three classic errors**: 1) he delayed; 2) he got defensive and deflected responsibility; and 3) he tried to explain (behaviors that led to a *death spiral*).

- **David Swanson**, CEO at yellow pages publisher R.H. Donnelley Corp., admitted that he never earned a degree from the university he attended, despite what the company said in its news releases. Swanson apologized and remained as CEO until 2010. Swanson went to his

board *before* the issue became public. He accepted *total responsibility* and *apologized*. The company issued a news release to correct the record, but it never became a problem. In fact, news reports *praised Swanson* for his candor.

## Five Rs of Effective Apology

Plan B means *acknowledging the facts*, accepting responsibility and offering an *effective apology* that has the Five Rs:

1. **Recognition**—acknowledging the offense—establishes that an offense requiring apology has been committed. To the offender this step may seem obvious, and therefore it may be tempting to just *get through* the apology or *get on with it*. But skipping the recognition step only compounds the offense because it leaves the victim uncertain whether the apologizer understands why the victim is so upset.



2. **Responsibility**—taking responsibility for your role and the consequences of your behavior. What distinguishes effective apologies is the integrity that offenders demonstrate when they look deep into their hearts and reckon with what they find there. In fearlessly pushing away all excuses, the apologizer retains undiluted responsibility. The intent is that the offender *values the relationship* and *desires to rebuild it* on terms agreeable to the victim.

3. **Remorse**—signals the offender's contrition: we realize that something we did hurt someone, that it was *wrong*, and that we wish we could undo what we did. Since there is no way to know whether someone else is remorseful, we rely on verbal and nonverbal cues, including the key phrase "I'm sorry" or "I apologize." Using these words is *nonnegotiable*. Without such an expression, *why bother* with the apology at all?

4. **Restitution**—is the attempt to restore the relationship to what it was

before you broke it. Effective apology is more than just words. *You can't talk your way out of a situation you act your way into.* For serious breaches, the offender must demonstrate a concrete expression of contrition. In other words, it must have some element of action. Without restitution, it becomes more difficult for offended parties to accept an apology, however well crafted.

5. **Repetition**—is a promise to the victim that the offender will not repeat the offense. One effective phrase is: "I promise it will never happen again." It is often effective to end the apology with such a commitment; communication theory suggests that people remember best what they hear last.

## Two Big Benefits of Apology

Apologizing, accepting responsibility, and acting in a transparent manner has two big advantages:

1. **Leaders who apologize just have better outcomes than those who don't.** The companies of leaders who accept accountability tend to outperform the competition because CEOs who assume that the problem starts and ends with them are in a more powerful position to do something about it. At a recent Cessna sales conference, CEO Jack Pelton gave a report card of how the company and its CEO were doing. In the area of *customer support*, Pelton assigned himself a *failing grade*. "Customer service and support starts in my office, and I apologize for not having done more." Then Pelton described *the steps he was taking to correct the problem*.

2. **By apologizing, leaders reassure people that they are on their side.** CEOs who acknowledge fault with a genuine apology argue against people's suspicion that they are indifferent to the pain their companies have caused. From this position, people are more likely to forgive. Dov Seidman, CEO of LRN said "In a world where nothing stays hidden, *powerfully acting as if you have nothing to hide demonstrates real leadership*." *Without a relationship, resolution is impossible.*

Apology is the ultimate *transparent act*. It's a powerful, transformational, act of leadership—an indicator of *confidence* and *strong people skills* focused on repairing strained relationships. CEOs who display reconciliation traits tend to advance. People who are not afraid to confront and learn from mistakes also tend to be more successful. LE

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**ACTION:** Offer effective, appropriate apologies.

# Leader Apology

*It's a double-edged sword.*



by L. Todd Thomas

THERE IS NOTHING wrong with CEOs and other leaders stepping up and taking accountability for mistakes; it's just that they typically don't do it very well.

**Reed Hastings**, CEO of Netflix, is a case in point. His early morning email of Sept. 19 apparently was an attempt to take responsibility for the negative feedback Netflix had received due to their announced operating changes. At least that might be what he thought it was. A look at the feedback from consumers would indicate that this is not how it was received. The day after Hastings sent his email to subscribers, Netflix stock dropped over 7.25 percent. The next day, stock dropped an additional 9.5 percent. Since the stock market has been negative with Netflix for a while, it may not be fair to attribute the drop in market value to Hastings' apology, but his email certainly didn't help turn things around.

**Providing an apology is tricky for any leader.** On one hand, you want to show your constituents that you're aware of the mistake and regret whatever harms occurred. On the other hand, you don't want to create a situation of greater liability for you or your organization. You want to show people that you are accountable for your missteps. At the same time, you want to avoid looking weak or indecisive. Finding the balance between the competing priorities is hard to accomplish.

## Follow Four Principles

Following *four principles* increases the likelihood that your apology will have a positive impact.

**1. Make it short.** If a leader is truly sincere about an apology, he or she should make the apology and then stop talking. We are impressed when somebody says, "I messed up, I know what happened, and I'll make sure it doesn't happen again." In the case of Hastings, his email was nearly 700 words. This is a long email. Compare this to the apology by Jeff Bezos when Amazon removed e-books from

Kindle readers. Less than 90 words even if you count his signature line.

With long apologies, the longer you talk, the greater the risk that you mess it up. In the case of Netflix, most of the message related to *even more detail* about upcoming changes. At the end, the reader is confused about the intent of the message. If you confuse your audience, and they are not very happy with you to begin with, they usually will err on the side of skepticism.

**2. Focus on the perspective of your audience.** This was a big problem for the Hastings email, and an easy one for you to avoid, if you take the right steps. First, identify exactly to whom you are apologizing. Then consider their specific point of view. If you've upset *employees*, focus on *employee*, not customer,

perceptions. A broad apology to everybody only works if your error is so egregious that it impacts *all constituents*.

The apology sent by Hastings was sent to consumers but sounded like a shareholder letter. If you're a subscriber, you really don't care about the corporate strategy of Netflix. You care about the price and convenience and product offerings to which you've subscribed. By deciding to focus on the rationale of business strategy, Hastings missed the connection he needed with the audience to whom he was communicating.

**3. Apologize for the right thing.** There is nothing that reinforces the impression that you are clueless more than hearing you apologize for the wrong thing. For Hastings, it was important to realize that consumers were not complaining primarily because they were upset with communication. That issue was secondary to the fact that they didn't like the impact of the new business strategy on the

end product. By apologizing for the secondary rather than the primary issue, Hastings reinforced the idea that he was out of touch with his market.

One way that we know whether or not our leader is authentic about an apology is to assess what he or she will do about it. If you apologize for the wrong thing, you then promise an improvement in an area where we don't really care. By pinpointing exactly what has upset your audience, you can take actions that will make a difference. Otherwise, it seems like just *more talk*.

**4. Be humble.** If you're sincere about your apology, communicate it in a way that reflects your recognition that you are not perfect. Hastings tried this in his first sentence, stating that he had "messed up." Unfortunately, he then justified the situation in a way that he communicated an arrogant-sounding message that was interpreted as, "We obviously didn't speak slowly and simply enough for you to get it the first time, so we'll try again." Consumers were furious with what appeared to be an attitude that they were not able to understand the complexity of the issue.

By definition, leaders are in a *superior* position. Remember that this is a function of *leadership*, not a function of *the person* in the leadership role. When we talk business, you likely have insights and responsibilities that exceed those of your subordinates. But an apology is a personal matter. If you really want to connect to those with whom you are apologizing, make sure your statement is not condescending to your recipients.

By issuing a poor apology, you may only succeed in reminding people why they are mad at you in the first place. In the Netflix email, Hastings was very clear about the plans for Netflix and Qwickster for the future. But this separation of DVD delivery from streaming services, and the impact on price and complexity, is what upset consumers to begin with. This email reminded them that Netflix didn't seem interested in what they wanted. An apology email is a bad place to simply *clarify a message* that wasn't received well the first time.

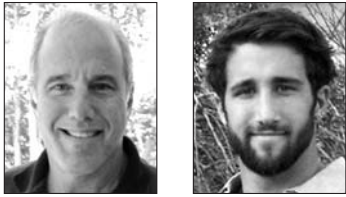
One rule of leadership is *accountability*, and owning up to mistakes is a part of it. But, the acceptance of accountability has to be sincere, and focused on the consequences felt by the recipient of the apology. Otherwise, it is better to stay quiet, listen to the criticism, and try to do better in the future. LE

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**ACTION:** Follow these principles of apology.

# Good Bosses

They create healthy work.



by Jim and Matt Finkelstein

THE QUESTION OFTEN LOOMS: WHY DO we work? We all work to some degree: some people work to live, others live to work. Some find a balance between the two where one flows naturally and seamlessly into another. We spend our days *doing stuff*; and the people we encounter and work with influence our experience as well. Our colleagues, clients, peers and bosses—all of those we cross paths with at work—bear some weight on our satisfaction, productivity, creativity, and diligence for the little niches we may find or cultivate.

Most of us have a *boss*, and many of us may be a *boss* or have been a *boss*. We consider a *boss* as anyone in a position or role where they manage and lead other people through tasks, experience, vision, and time.

Here are *five examples* of *good bosses*:

**1. Listener**—a boss who will listen to and appreciate different points of view. This boss hears and honors their employees' thoughts and considerations respectfully, but they may not put all these ideas into action. The Listener listens to employees because they were hired for a reason. They trust their employees and value their input (sometimes, even depend on it). Listeners are good bosses because they have insight beyond their own experience and vision—insight that is influenced by many angles. And, when people voice their opinions and ideas, they are more inspired and engaged.

**2. Empowerer**—a boss who lets employees run their own show and learn by making some mistakes. To a degree of trust and support, *this boss cultivates leadership in their team*. Working together, they identify tasks and create a plan, but let the employees decide how it actually gets done. Empowerers don't delegate aimlessly, creating a sense of subordination in their team, but rather

they engage their employees from the ground up in a focused manner.

Employees are inspired to take on leadership roles and collaborate both with their boss and with others. *Empowerers* are good bosses because they ignite productivity, personal development, and satisfaction among their employees.

**3. Mentor**—a boss who *teaches, coaches* and *guides*. Mentors need not be older, but a tad wiser or willing to share. They seek to understand their employees' experiences and identify who needs or wants mentoring. The relationship with their employees is constructive, meaning both criticism and praise are offered with the intent of growing employees' skills. An offer to mentor is either explicitly offered or subtly developed over time. The goal is both in current interest and looking to the future, to enhance the employees' skills. Mentors are good bosses because they ensure a future for the employee and the company while inspiring immediate productivity and engagement.

**4. Cool Dude (or Dudette)**—a boss who *has fun* and *lets their employees have*

*fun*. This boss maintains a certain aura of authority while creating a likeable and lively climate. They let employees enjoy their time at work *and* find time for *small diversions*, as long as the job still gets done well. Then, this boss rewards employees with time off or special workplace events

within a respectable workplace culture. Cool Dudes/Dudettes are good bosses because they understand that all employees are people; all people need some; and happy employees are healthy, productive, and engaged.

**5. Creator**—a boss who *inspires invention and creativity*. Creators push the limits of their employees to ignite innovation. They challenge intellect and question the status quo, so that new products and ideas are developed. They embody the spirit of imagination and are never overly demanding. Creativity and invention come from a unique mindset, so this boss correctly identifies those on their team that are keen to this way of thinking. Creators are good bosses because they are motivational and collaborative.

The *characteristics* of these five bosses are what makes for *healthy leadership*. **LE**

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**ACTION:** *Become a good boss.*

# Worn-Out Leaders

Five classic early warning signs.



by Irving H. Buchen

HIS OPHTHALMOLOGIST snapped: "There is no such thing as *tired eyes*—only *tired brains!*" I stood up and sighed: Well there goes that excuse down the drain, along with its quick fix. What's next? Energy booster shots?

Our CEO was in his mid-forties. He worked out daily, was trim, in good shape. So it was not *creeping age*. Home and wife and family were solid. So it not that. What then? He paused and then pounced: "It is the cumulative, never ending, demanding job!"

We should quickly also add our CEO was not in trouble. His board loved him, so did his stockholders. Quarterly reports showed modest and steady growth. No, the unhappiness was deeper, mysterious, congenital, built into the job like original sin; but now it also had become pervasive, appearing often and without warning.

## Five Warning Signs

He had to fly overseas that night and because he always found it more congenial to think through problems in flight, he postponed his *self-review* until then. He finally wrote the following five things down mostly in anger:

**1. Policy formulation—backfiring.** Policy was supposed to protect us and our customers. It was not designed to insulate us or put us at odds with each other. Instead we suddenly find a divisive culture—employees on the front line forced to defend new policy decisions, which they find indispensable, ending up being the unwilling partner to the erosion of company reputation. It does not take long for such ugly feedback to reach the front office and for biting cartoons to follow showing us shooting our selves in the foot.

**2. Innovation initiatives—dissipated.** Persuaded again and again that creativity will provide the competitive edge, a number of diverse and experimental programs have been launched. Noisy game-playing sessions have been scheduled. Motivational posters now decorate training walls. Einstein sweat shirts are now on sale at a special price. Team T- shirts can be designed. There is a rumor that a

Buddha room exists. But after six months there is little to show for it. A landscape of bicycle parts stretches out in front of us. It did not take long for comments of "I told you so" to follow.

**3. Decisions—Breakdown of integration.** After listening in the past to numerous complaints about communications dropping the ball, and implementation being uneven and less than flawless, the new absolute watch word was integration—at every level, every unit. But here we were back where we had started. Critical decisions were being made without communications and implementation had not been invited to the table and given equal access to the decision tree. We were still passing off fragments as wholes.

**4. Productivity Puzzle—The happy enigma.** Layoffs are still going on, skill set gaps are increasing, thinning out of supervisors and outsourcing continues, quality targets are being met. And yet our numbers are up! How is that possible? Plant managers and COO were tasked with explaining not failure but unexpected success. The occasion that prompted answers was the introduction of a new product line and whether the magic would still apply. Vice presidents with their fingers crossed behind their backs do not inspire confidence.

**5. Two Highly Touted VP Resignations—in Two Months!** What is going on here? They were supposed to walk on water. The fit was hailed to be perfect. Competence was assured. So what happened? We were blindsided. One turned out to be a bully and a selfish son of a bitch. The other retreated to his new lavish office and no one knew when he came in and when he left. Are we back in the Middle Ages? What happened to psychological assessments? Could you at least have talked to their mothers or their best friends' mothers?

### The Law of Crash

So pause, dear CEO. Remember the law of crash is slip. The bridge collapses gradually. The incremental always persuades you that you have enough time for the dike to hold. But along comes the balloon payment—the cumulative gathers its momentum—one more sheep is added to the commons—and you are suddenly crushed by being at the top. LE

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**ACTION:** Note the warning signs and renew.

## Coaching Conversations

*Influence people in brief interactions.*



by Jack Zenger

**I**N HIS CLASSIC BOOK *The Nature of Managerial Work*, Henry Mintzberg

noted that managerial activity was characterized by its variety, a series of relatively *brief interactions* that can be incredibly fragmented. He observed that phone calls averaged less than six minutes and typical one-on-one meetings averaged 12 minutes. In the ensuing years learning and development professionals have observed that days have become even more frantic, and managers are keeping up this hectic pace during longer work days.

One thing that gets sacrificed in these work situations is the leader's ability to provide inspiration and motivation to the work team. There is never enough time to provide adequate coaching and development to the immediate staff. When you ask today's managers why they do not provide more development for their subordinates, invariably the answer has to do with time.

In sessions with groups of managers, we asked: "Have you ever received coaching from a manager that had a marked impact on your personal development?" Most participants said yes. Then we asked: "How long did these coaching conversations take?" Most people indicated it took less than 15 minutes.

One key skill for leaders is the ability to manage brief interactions. Every leader needs to make good use of short-time bursts during the day to be successful in carving out time for more meaningful discussions having to do with longer-term career issues. Successful leaders effectively manage the shortest of interactions.

### Six Ways to Inspire

Here are six ways leaders can *inspire and motivate their teams* in brief interactions when time is precious:

**1. Pick up the pace when you are in the driver's seat.** You can dive directly to the heart of the matter. If the leader is trying to determine the heartbeat of

the organization, the question may be: "Tell me something you think I don't know and probably don't want to hear." Note that it need not take long.

**2. Gently guide others when they initiate the meeting.** If someone drops into your office and obviously wants to have a leisurely chat, you can hasten the pace of that dialogue. Try standing up and having the conversation near the doorway or announcing that you're under a tight time crunch and have only a couple of minutes available now, but that you could reschedule a later time.

**3. Train colleagues what to expect from you.** Subordinates and colleagues may drop by your office to discuss a topic of interest *to them*. If they become aware that your question will always be, "What have you been thinking about regarding this topic?" it won't take many conversations for them to realize they should come with some proposal in mind if they raise an issue.

**4. Schedule shorter meetings.** I worked for a number of years in an organization in which one of the key executives was essentially a part-time employee. His assistant was some-

times instructed to schedule a three-minute meeting with one of his direct reports. While some were taken aback, it forced them to come with a clearly planned agenda to make use of the short time.

**5. Make staff and work team meetings more efficient.** Some of the most frequent complaints swirl

around the variety of meetings held. Enabling such meetings to be more efficient is one of the big opportunities for leaders to create more time for themselves.

**6. Schedule periodic open times for free-wheeling discussion.** This recommendation may seem contrary to the earlier ones. The point is, if your colleagues know there are times set aside for open-ended discussions, your practice to speedily push through operational items will be balanced.

If you *manage your time* with greater efficiency, leaving time for more important matters, the bonds between you and your subordinates will be strengthened, the team will exert extra effort, the best people will stay, and the organization will prosper. LE

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**ACTION:** Practice these six ways to inspire.

## Character Triangle

Strengthen your culture.



by Lorne Rubis

**H**AVE YOU HEARD statements like this: *Why don't they do something about it? I wish I wouldn't have to change? Why can't things be better? Why do salespeople suck? Why does operations screw up all the time? I wish we had better tools? We need a bigger budget? Why do the other guys have a better territory? My boss is a jerk.*

These comments likely indicate that one or more **core values** may require strengthening. While an organization requires a *purpose* that is inspiring, a *business model* that works, a *great management system* that drives value; at the heart of the entity is *how people think and work together*.

My research and experience underscore the importance of **three core values**—*Accountability, Respect and Abundance (the Character Triangle)*—and their impact on the mind, hands and heart of the people who make the place run.

**1. Accountability:** This starts with *self*. When you approach every situation by first asking what *you* can do about it and how, you begin to understand *self-accountability*. The ideas associated with *blame* and *victim* have little place in the *self-accountability* framework. Do you often blame others for your condition and circumstances? When you see yourself as having the responsibility, power, and control to influence your personal remit, the impact is powerful. Instead of thinking that *they* are responsible for your state, you think, "How can I contribute to a more desired state?" Before asking anything of anybody, ask yourself, *what can I do about it?*

**2. Respect:** Your successes or failures are built on the strength of your relationships—and relationships run on respect. To be true to the root of respect, you need to look at yourself with openness and understanding. Examine the way you treat yourself first and then how you treat others. Most of us want to be listened to with understanding, treated with courtesy, and recognized for our contributions.

Do you do that with yourself—and with others—in every interaction?

When you give respect first, you believe: *my teammate is a valuable colleague with insight and information that can propel me and the organization forward.* In response, you're given the same platform. *Listening* becomes imperative, and *communication* and *problem solving* skills are requisite. This listening and dialogue platform of respect is naturally then extended to customers and the partnership ecosystem. *Acting from a foundation of respect becomes a way to think and act.* Tough issues and problems are addressed in timely ways, since everything is seen as a process. And processes can be measured and improved to achieve better results. A strong culture of respect is based on *attacking processes* and not each other.

**3. Abundance:** Abundant people don't have to take anything away from anyone else to succeed. It is fun to work with people who are *abundance-focused*. They may be *competitive*, but not just to beat someone, rather to advance something. *Abundant people relish other's success and achievements.* They focus on the resources available and find what they need to get results. Generosity of spirit and the belief that *giving leads to getting* is their makeup.

**Abundant-thinking people focus on resources they have rather than what they lack.** They try to *expand the pie by finding more resources or better using what they have.* They do not use a *lack of resources* as excuse for *inaction or stasis*. Some people are *eaters* (they see the pie as definitive and ultimately want more than you); some are *bakers* (they try to expand the pie so everyone one has more). *Abundance* is about the value of personal growth and progression. Who has more or less, and petty jealousy, is not on the agenda. The focus of *abundant people* is on *what's possible*.

These three values become *exponentially* more powerful when connected; hence *The Character Triangle*. When the elements play off each other, the way people think, act, and connect measurably shifts to a *positive, action orientation*.

*Sustainable excellence* emerges when the purpose, form, fitness, and function connect—when accountability, respect, and abundance drive the head, hands, and hearts of people. **LE**

Lorne Rubis is CEO of Ryzex and author of *The Character Triangle*. Visit [www.thecharactertriangle.com](http://www.thecharactertriangle.com).

**ACTION:** Apply the Character Triangle.

## Trip to the Top

Take nine key assignments.



by Ines Wichert

**O**VER MANY YEARS, I've talked with women who have great ambitions to get to the top but struggle to know how to get there. Many of them have already developed great technical expertise and have comfortably moved into their first or second management role, but the route to the top is unclear. These challenges motivated me to interview women who had made it to the top about the **key assignments** that got them there.

I interviewed 49 women in senior management positions at large, global corporations. Each woman could point to **key assignments** that helped her develop leadership skills and boost credibility. There is no one universal solution to the challenges facing women trying to make it to the top, but women are held back if they don't have certain types of experience behind them.

### Nine Growth Assignments

I identified **nine high visibility job assignments** that can help women to stand out and break through:

**1. Early stretch assignments.** A challenging assignment early in a woman's career is very important, since it allows a woman to be noticed early as a *potential future leader*, and enables her to build her confidence. Being completely out of your depth technically, building credibility with established experts, taking on big responsibility and working with the senior management team are some defining characteristics of early stretch assignments.

**2. International assignments and global roles.** Nothing prepares a leader for running a global organization as well as spending some time abroad to personally experience the difficulties of executing projects and delivering results in a different culture. This may not always mean living in another country, but it will mean travel, which may be particularly challenging for anyone with childcare responsibilities.

**3. Operational roles.** Operational experience provides a woman with a vital understanding of the day-to-day running of a business. In these roles women are responsible for areas such

as manufacturing, supply chain management or call centre operations.

These roles help women learn about the complexity of running a business.

**4. Managing people.** With increasing seniority, people management moves from managing people in relatively stable environments to managing people through particular challenges such as organizational change and crises. People management is the backbone to many of the interviewees' successful delivery of results; many emphasized that without their team behind them they could not succeed.

**5. Working in an unfamiliar environment.** Moving functions, working in new functions or taking on a role in a new industry broaden a woman's business understanding and allow her to demonstrate to others that she can hit the ground running and deliver outstanding results wherever she is.

**6. Creating something new.** This is a golden opportunity to demonstrate her entrepreneurial spirit. Corporate entrepreneurship is commonly referred to as "intrapreneurship," and covers areas such as starting new business ventures and organizational renewal where innovative insights create significant cost reductions and competitive advantages.

**7. Merging, downsizing and re-engineering.** As change is a major element of corporate life, having proven oneself as an effective change agent is an important tick in the box on the way to the top for women.

**8. Being a turnaround pro.** Turnaround experts deal with urgent crisis situations that require immediate and drastic action. While all assignments have to be executed with pace, turnaround projects are a step up from the more orderly and proactive organizational change assignments.

**9. Joining the executive team.** Few women make it to this level. Many face this big step up with some self-doubt as to whether they can master the new role. They talk about *building relationships* and how the difference between women's and men's style of interaction can create barriers. Such barriers are overcome by women who take steps to build those relationships.

*These nine assignments provide valuable guidance as to the type of projects that may be valuable to women searching for that route to the top.* **LE**

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**ACTION:** Seek these nine assignments.

## Are People Engaged?

*And rowing in the same direction?*



by Linda Oien

**T**O COMPETE TODAY, YOU need everyone in the boat rowing in the same direction. With everyone *working together*, you position yourself to win the race.

**What can you do to get your people actively engaged, realizing their full potential, and delivering consistent results?** With labor being your largest operational expense, you need to chart the course, tap into your most valuable asset—your people, and usher your boat and crew across the finish line.

Rowers are among the world's best athletes. The sport requires a full-body workout from crew members. Though rowing looks graceful, elegant, and even effortless, it takes hard work, coordination, and precision to win races.

During the race, the *Coxswain* steers the boat, and keeps it on the most direct course to ensure the fastest speed and accuracy. He or she motivates the rowers, coordinates the actions and serves as the on-the-water coach. In a race, the *Coxswain* will call for a *power10*—the crews 10 best, most perfectly timed, powerful strokes to pull ahead of competition.

Similarly, you are the coach in charge of directing, motivating and coordinating your crew as they do their best, stay the course, and deliver winning results.

### Answer Six Questions

Winning the race can only happen when all crew members are rowing in the same direction and focused on crossing the finish line first. As you strive to get everyone in the boat, pulling together and actively engaged in the race, your employees need answers to these six questions:

**1. What's this organization all about?** Whether you have a formal *Values*, *Vision*, and *Mission* or a more informal method for communicating what the organization stands for and believes in, the answer provides a foundation for employee, customer and vendor understanding. And, it sets the pace and tone for getting everyone in the boat, rowing in the same direction.

**2. Where is the organization going, and how does it plan to get there?**

Fewer than five percent of people know the direction the organization plans to take or the destination of the strategic journey. With the values, vision, and mission clarified, identify and communicate the critical few priorities for the next three-to-five years, their goals and current year objectives.

**3. How and where do I fit?** Members of your crew need a line-of-sight to see how what they do contributes to the overall success of the organization. By communicating answers to the first two questions, departments and teams can *develop plans* and *implement actions* to support attainment of goals. Also, you need a way for gauging progress and measuring success, as well as a plan for sharing results regularly.

**4. What's expected of me?** People want to do a good job. And, since there is no time to change course while competing in a race, managers need to *set clear expectations at the start* and *share how performance will be evaluated as the season unfolds*. Knowing their role and what they need to accomplish sets the pace and tone for the crew, and results

in everyone understanding how their contributions support individual, team and organizational achievement. Continuously developing crew members *to be the best they can be* actively contributes to achieving organizational excellence.

**5. How can I make a difference?** People want to be part of a winning team.

Beyond knowing what is expected of them, crew members need to find new and innovative ways to continuously improve how things are done. Tapping into their knowledge and creativity leads to an *actively engaged crew* challenging themselves to contribute even more. They respond to changing conditions, just as the rowers respond to their *Coxswain* calling for a *power10*.

**6. How am I doing?** Employees need to feel *valued* and *recognized* for their contribution to team success. A regular coaching, feedback, and review process ensures people perform consistently well; lets people know how they are performing against expectations and where they need to make course corrections; engages the crew, and *holds them accountable* for delivering results. **LE**

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**ACTION:** Lead your crew to the win.

# We're All Too Busy

*Missing amazing opportunities.*



by Daniel Burrus

**WE'RE ALL VERY BUSY.** In fact, you are likely busier this year than last year. Every month seems to go by faster. The pace of life is accelerating. But ask yourself: In the five years before GM went bankrupt, were the top executives *busy* every day? Yes, they were *very busy*. But being *busy* didn't help *them*, and it won't help *you!*

*You can busy yourself out of business,* out of relationships, and even out of life. I can think of many examples of companies (Blockbuster, GM, Polaroid, Borders) whose people were *very busy*, but didn't survive. Being busy won't help in a time of transformational change, because all business processes and customers' expectations are transforming before our eyes. So, rather than spend all of your time being busy, putting out fires, and managing the crisis of the day, schedule time to unplug from the present, plug into your future, and identify the strategic opportunities already set in motion.

The problem with identifying emerging opportunities is that we're too busy to do so. You should be anticipating future opportunities as well as disruptions, but you don't have time for it. You may wonder what's the value of taking the time to strategically look at the future when everything is going to change anyway—when the world is filled with uncertainties? That seems like a valid point. But there are enough things you can be certain about to enable you to innovate and move forward faster in a low-risk way.

## Be Strategic about the Future

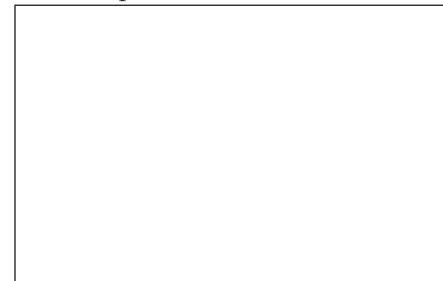
*In times of change, you need to ask yourself, "What am I certain about?"* Strategies based on *uncertainty* equal high risk. Strategies based on *certainly* dramatically reduce risk and enable you to move forward in *profitable ways*.

For example, we are certain that every year, winter will turn to spring, followed by summer and then fall. In fact, there are over 300 *cycles*—business, biological, and weather cycles—that enable you to accurately anticipate the future. For instance, stock prices rise

and then fall, only to rise again. You can use *Cyclical Change* often even if you are not consciously aware of it.

In today's technology-driven world of accelerated change, you also need to understand *Linear Change*. Once this type of change happens, you will not go back. For example, once you get a smart phone, you're not going back to a dumb phone. When individuals in China park their bicycle and get a car, they are not going back to the bicycle. This is a one-way, non-cyclical change that is quite profound with many predictable opportunities and challenges.

As change accelerates and the pressure to keep up intensifies, the natural tendency is to try to speed up with it—to be busier. But rather than try to speed up even more, you need to slow down, stop, and think. Put aside all



current problems for a moment. Make the decision to devote a little time, on a regular basis, to looking at the Hard Trends and predictable opportunities that will happen in the near future.

To make the invisible future visible, make a list of both the *Cyclical* and *Linear* changes that have a high potential to impact both you and your customers and ask yourself, "What am I certain about?" Based on the certainties, what are the problems you are not having today, but will have in the next three to six months—and one to three years? *That's* where you need to spend your time—not on all the busy work that's distracting you now. What is certainty telling you about those future problems and ways you might solve them now, before having them? Listen to clues that might be lying just outside your field of expertise or industry.

Most of us feel there will never be a time when we're *not* too busy—which is exactly why most people and companies flounder. Yes, there's a lot to do. But you can't live in crisis management

mode forever. If you don't do something about *your busy-ness* and take time to anticipate and see the opportunities around you, you'll never break free. You'll simply be busier tomorrow.

## Juggle Your Time Wisely

One way to *make time* so you can see the opportunities is to stop juggling so many tasks. But how do you do that?

You're juggling a lot of balls—your *work ball*, *spouse ball*, *family ball*, *community ball*, and others. Fortunately, the work ball is made of rubber so if you drop it, it will bounce back. Many of the other balls are made of various thicknesses of glass. However, you can't tell how thick the glass is until you drop it and see if it shatters. Therefore, you need to be careful.

Given the rapid pace of change, all the work you're doing, the long hours, and your personal commitments, you are likely, it's safe to say, that you're currently juggling the maximum number of balls you can handle. Any more will cause you to *drop everything*. This is why you need to be strategic and ask: Of all the balls I'm juggling, which ones are becoming less relevant? That's the only way you'll know which balls to eliminate as the new ones come in.

So look at all the things you're juggling. There are some things that are precious that you never want to drop. Identify those. Many people do drop those balls and that's why there are divorces, kids you can't relate to, and all kinds of family problems. So which balls do you never want to drop?

*List of the balls you're juggling in order of relevancy.* Include *everything*, such as publications you read, clubs or groups you belong to, tasks you do at work and at home. Which are the most relevant? Maybe you read things that waste your time, or commit time to groups that are no longer meaningful or profitable for you, or do tasks that someone else can and should do.

You can only juggle so many things, and today you have new and more important things that need your attention. Perhaps you can devote less time to certain things, or completely delete them, and develop some *new habits*—new and better ways of doing things that are more relevant for your current reality. Then, you'll be the right kind of busy. When you are both *anticipatory* and *strategic* in all areas of your life, you are *busy* based on *opportunities*, not *crises*. **LE**

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**ACTION:** *Develop anticipatory, strategic habits.*

# Four Generations

Engage and retain them at work.



by Beverly Kaye

MEMBERS OF EVERY generation want to work in a positive, satisfying work climate. So retaining your talented employees, regardless of generation, should be easy, right? The task is trickier than it seems. There are distinct differences in the why's and how's of retaining each of the four generations, since each has a distinct attitude and approach to careers. So, tailor your career conversations to meet the needs of the individual—keeping in mind *generational influences*.

**1. The Silent Generation** (born 1933 to 1945) built its success on hard work, discipline and postponement of materials rewards. They are often called *the facilitative generation* because many members have taken leading national roles as diplomats, civil rights leaders, and distinguished civil servants and politicians. *Giving back* and contributing to the collective good is an emblem of this generation. At work, they look for due process and fair play—and when they find it, they are loyal to the company and work within the system. Many Silents are still interested in their futures and in trying new things at work. They want to know that their employers value their work. Let them know how their contributions drive profitability and impact the bottom line. Verbally and publicly acknowledge their experience. Provide proactive technology support services if they aren't techno-savvy. Use due process and explain the reasoning behind decisions. Value their experience by creating ways that they can mentor others. Provide part-time jobs and job sharing for those who want to work. Consider phased-retirement options, which gradually ease employees out at a mutually agreeable pace.

**2. Baby Boom Generation** (born 1946 to 1964) grew up with idealistic longings and changed the social structure of the country. They created a place for themselves in history as rebels who initiated many causes: civil rights, nuclear disarmament, consumer advocacy and women's rights. And when

they joined corporations, Boomers took their priorities of change with them and made their organizations their new causes. They are process-oriented and relationship-focused at work. They dislike conformity and rules. They are hard workers who strive to do their best, take risks, and make a contribution to their clients and companies. Boomers seek personal satisfaction from their jobs. Provide praise and recognition. Allow flexibility for family and work responsibilities.

Today, as Boomers face increasing responsibilities for the care of aging parents and growing children, they are re-examining their careers and looking for ways to bring new balance to their lives. Many also seek ways to revitalize themselves. Others are looking ahead to retirement or exploring their next set of career options. Most plan to work at least part-time in retirement. Help

them explore their next options, and demonstrate how your company can continue to use their talents. Redesign their jobs to accommodate life demands. Encourage them to enrich their presents jobs and grow in place if they need to slow their career pace.

**3. Generation X** (born 1965-1976) entered the workforce during volatile economic times and amid turbulent world affairs. They watched their parents cope with massive layoffs and job insecurity. When Gen Xers went to work, there wasn't a corporate welcome mat waiting for them, so they have reacted to the work world as they found it. Gen Xers are seeking the same control over their corporate lives that they experienced as children and young adults. Many tend to be output-focused and outcome-oriented. They seek balance in their lives. They've observed workaholic Boomers and are choosing to live and work differently.

Gen Xers want to know that they can remain widely employable while pursuing a career with a single organization. Communicate frequently and truthfully about how the company is performing. Provide feedback on their job performance. Provide learning and development opportunities. Allow for work/life balance and provide situations where they can try new things. Resist micromanaging them. Provide flexible work environments (telecommuting, flex-time). Reward initiative.

*Generation Xers* seek opportunities to make a visible difference, use their creative abilities, and avoid being laid off by *putting their own skill sets first*. They realize the need to be *employable* since *no organization can guarantee employment*. Acknowledge their ability to work independently and leverage their entrepreneurial abilities. Help them get the most out of every job position by discussing what the job can do for them and what they can learn from it.

**4. The Millennial Generation** (born 1977 to 1998) enter the workplace as the best educated, most technically literate and most doted upon of any generation. They bring together the *can do* ethic of the Silents, the *teamwork* approach of the Boomers, and an even greater *tech savvy* than the Gen Xers. They readily accept older leadership. They're looking for careers and stability.

To attract and keep them, be clear about your goals and expectations, communicate frequently, provide supervision and structure, establish mentoring programs, honor their optimism, and welcome and nurture them. They seek friendly, stable organizations and work well in teams. Millennials think in terms of personal fulfillment, asking: Is the job interesting and satisfying? Is the work meaningful and important? Employers want to know: How long will you stay and do the job? Offer training opportunities to build basic business skills (beyond training for their current job), and help them find their best job fit early in their careers. Managers who help Millennials find a career path will be seen as valued mentors. Millennials will be loyal, committed employees as long as they find variety and opportunity. Show how your organization is flexible and filled with learning opportunities. Provide schedules that help them build careers and families at the same time. Make groups and teams part of their job. **LE**

Beverly Kaye is co-author of bestseller *Love 'Em or Lose 'Em*: (Berrett-Koehler, 1999 & 2002) and author of *Up is NOT the only Way* (Davies-Black). Visit [www.careersystemsintl.com](http://www.careersystemsintl.com).

**ACTION:** Learn to lead four generations.