Kodiak Collaboration

The annual salmon run attracts a grizzly bear as opportunistic gulls function as the cleanup crew, offering yet another clear example of natural collaboration and social intelligence.
Leadership Deep Dive
Welcome to Weatherhead education.

by Ken Shelton

You are about to enroll in a short course in Leadership Education.

Last December, on behalf of his colleagues at the Weatherhead School Executive Education, Case Western University, David Cooperrider, Professor in Social Entrepreneurship and OB, proposed doing a special edition of LE. He delivered 13 articles authored by the faculty who deliver their Leadership Deep Dive program—a senior executive immersion that combines the best of the best from the School that designed the first PhD in OD and Change in 1960, thanks to Herb Shepard, Warren Bennis, Don Wolfe, David Kolb, Suresh Srivastva, and others. The place continues to be a seedbed of pioneering theory/practice with award-winning thought leaders such as Richard Boyatzis (author of Primal Leadership), David Cooperrider and Ron Fry (creators of Appreciative Inquiry and the world inquiry into Business as an Agent of World Benefit); and Diana Bilimoria (author Handbook on Women in Business Management) and others.

In his article on Innovation’s Next Frontier, Cooperrider boasts of one huge business success, with double-digit growth rates near 40 percent per year, leadership in sustainabil-

From Gloria Feldt and Karol Wasyllyshyn, you can learn how to achieve breakthroughs for female and remarkable leaders Alex Pattakos reverts to his Greek roots to suggest leadership is all about OPA: Others, Purpose, and Attitude. And, Punit Renjen, chairman of the board of Deloitte LLP, notes that in his native India, Mohandas Gandhi was more than an exceptional servant leader—“he was a brilliant strategist who asked questions, listened, assessed risks, and developed scenarios. In their strategic role, these are the vital skills for board members.”

High-Potential Leadership Talent
So, who can spot and where can we find High Potential Leadership Talent? Senior executives play the biggest role in identifying high-potential talent for leadership development, according to a survey by AMA Enterprise. Senior executives were followed closely by managers and directors. Training and development staff play a relatively minor role. “Senior executives and line managers are usually the best positioned to recognize rising talent,” said Sandi Edwards, SVP for AMA Enterprise. “They’re directly involved daily with prospective leaders at all levels, and can best judge the abilities and attributes linked to current and future success.”

As long as you’re in the Deep Dive water, you might also learn and apply a few lessons in leadership from the Navy SEALs, as recounted by President Barack Obama, and from Captain ‘Sully’ Sullenberger, famous for his water landing in the Hudson River.
Three Circles of the strengths revolution.

by David Cooperrider

Positive psychology is revolutionizing the way we engage people, transform strategy, and prepare for open innovation with customers, suppliers, and other key stakeholders. Talking about positive strengths gets people excited.

Millions of managers have been introduced to strengths-based approaches, Appreciative Inquiry (AI), and the positive psychology of human strengths. For example, more than two million people have taken the Values in Action Inventory of Strengths (VIA-IS), while more than two million managers have used the assessment tool StrengthsFinder for their leadership development.

Here, I seek to take the positive-strengths perspective to a new octave. I provide a framework for a strengths-based leadership system and point to tools, stories, and research as a roadmap. I call this framework the three circles of the strengths revolution.

- Circle 1: The elevation of strengths. This circle is all about enriching our leadership capacity for the elevation of strengths—since individuals and groups are always stronger when they have their successes and strengths in focus—and will excel only by amplifying strengths, never by fixing weakness.

- Nobody articulated this assumption better than Peter Drucker. "The task of leadership is to create an alignment of strengths in ways that make a system’s weaknesses irrelevant." Great leadership is all about strengths.

- Everything in management is filtered through the way we do inquiry. We’re constantly doing analyses—and our success as leaders is filtered through the way we know and read people and situations. And many organizations have inherited a deficit-bias and an inertia that clouds our ability to feed strengths and fuel opportunities. For example, one company had 2,000 measurement systems of what goes wrong, including its annual low morale survey, its classic exit interviews to study turnover, and its focus groups with the most dissatisfied customers. Hence, 80 percent of management attention was going to fix weakness. This 80-20 deficit-bias explains why only 20 percent of people today feel their supervisors and organizations recognize their greatest strengths, play to those strengths, and leverage those strengths to a great extent every day. Strengths leadership says that it’s time, not to avoid or deny weaknesses, but to radically reverse the 80-20 rule.

- Great leaders see strengths and opportunities that no one else notices. They appreciate and inquire simultaneously. To appreciate means to see those things worth valuing. To inquire means to search, question, and discover. This appreciative intelligence—to see, to elevate a spark of strength or opportunity and turn it into a flame (even a legacy torch)—is a master strength. Think of Amazon’s Jeff Bezos or Herb Kelleher, former CEO of Southwest Airlines, and the culture of positivity and possibility that elevates everyone at Southwest and propelled Amazon into a game-changer.

- Think about societal leaders and models—Gandhi’s or Mandela’s capacity to summon people’s best, or Helen Keller’s capacity to elevate inner strengths no one else could see. In England’s darkest hour, Winston Churchill saw things in his people that no one else could see and spoke to them with a laser-like faith and eloquence that gave them a new idea of themselves. Great leaders elevate strengths, see what’s best or what works, and evoke what’s next.

- The capacity to inspire positive change is accessible to all of us through talent management, leadership training, and executive coaching. Since people excel only by amplifying strengths, not by fixing weakness, people are asking, "Why can’t this positive and productive perspective be brought to everything we do (like the design of new products, or enterprise-wide IT transformation)? What about strengths-based engagement with customers, supply chains, and communities?" For this, it’s time to embrace phase two.

- Circle 2: Become a multiplier of strengths, from elevation to configurations. This circle is about creating new macro combinations and configurations of strengths across systems. When people play to their strengths, engagement soars, and active disengagement (which costs U.S. firms $300 billion each year) can plummet. In world-class companies, the engagement vs. disengagement scores stand at a ratio of 10:1 (in average companies, that ratio is less than 2:1). Moreover, high-engagement organizations have 3.9 times the earnings-per-share growth rate. Engaged employees are more productive, profitable, customer-focused, innovative, collaborative, and growth-oriented.

- Elevation, engagement, and success reinforce one another in a positive feedback loop. The 80-20 reversal or turn to strengths does more than perform—it transforms. It builds an enterprise-wide capacity and achieves a multiplier effect. The shift happens when leaders turn macro, not just micro, in their strengths-thinking. Two examples:

  - U.S. Navy CNO Admiral Vern Clark turned to AI’s large-group methods to achieve a concentration effect of strengths. Turnover rates were costing billions, and the three-star admiral had read about the AI summit method—a large-group planning, designing, or implementation meeting that brings 300 to 2,000 or more stakeholders together in a concentrated-strengths way to work on a task of strategic and creative value.

- That day, Admiral Clark launched a series of AI summits and a new Center for Positive Change. These 500-person summits brought in external stakeholders, supply partners, citizens and even peace groups—all groups with a stake in the future of the Navy. This high-engagement process improved the Navy’s bottom-line performance by $2 billion.

- Cindy Frick, a Roadway Express executive, shared how her managers used to “starve opportunities” while they focused on the problematic. In this $4 billion trucking company, she orchestrated over 65 500-person summits in two years, engaging truck drivers, dock workers, executives, teamsters, managers, and customers. Frick tapped the strengths of over 10,000 people and transformed a culture of entrenched silos into a high-performance system. The stock price went from $14 to $55 a share in two years.

- Let’s think in terms of constellations of strengths. True innovation happens when strong, multidisciplinary groups come together, build a collaborative and appreciative interchange, and explore the intersection of their different points of strength. Moreover, this macro-minded ability to connect ideas, people, and resources from across boundaries paves the way for something even more inspiring in management.

- Circle 3: Positive institutions bring-
Mindfulness
Do you tune in or out?

by Richard E. Boyatzis and Bauback Yeganeh

Standing in front of a fireplace with glasses of wine, an old friend and former boss asked Dimitrios, “Are you having fun?” Dimitrios paused. Should he just say “Great!” or try to answer the question? He was caught off guard.

His friend asked, “Are you Okay?” Dimitrios said yes, but was haunted by the question. It did not make sense to him. He was the CEO of a consulting company of about 200 staff, mostly with PhDs, and the firm was growing rapidly, building an international market. But something was off.

Dimitrios did not notice that he and his wife hadn’t laughed in months. Conversations with his son seemed to drift into a functional discussion of schools in his future. He was gaining weight and drinking more. Yet Dimitrios’ clients were happy. His consultants were innovative in their services and products. The company’s growth and reputation were excellent.

So it came as a shock when seven staff spun off their own company and took clients with them. Dimitrios felt betrayed, as did others. But it happened because he was mindful of some things in his work and life and mindless about others.

• Mindfulness is being awake and aware—being tuned into yourself, to others, and to the environment. Mindlessness is being tuned out or oblivious to important aspects of what is going on around you, and maybe even to what is happening inside of you.

• Mindlessness had been growing in Dimitrios’ life. He paid attention to clients and to the financials and marketing. But the question about whether he was having fun was a wake-up call. He talked to his wife, and at her suggestion, called two long-time friends. Both suggested that he take some time to reflect, and consider personal coaching. He decided to attend the Leadership Deep Dive program at the Weatherhead School of Management at Case Western Reserve University. During some sessions, and in discussions with his coach in the program, Dimitrios realized that he had let his life get away from him. His personal vision was clear, but the implementation had gone awry. He had stopped paying attention to his health, and been so focused on his company and clients that he didn’t seem to have time or energy left for his wife or son. After fruitless complaints and arguments, they had given up on him and devoted their energy to other things.

Mindfulness means intentionally paying attention. But paying attention seems to have a limit. You can’t attend to everything. Dimitrios learned ways to alternate his attention. For example, he learned to scan and make eye contact with people when speaking in order to connect with them and anchor himself in the moment. He realized he also needed to scan his life and relationships regularly. He talked with his wife about having fun and exploring together; they agreed to spend one weekend a month somewhere they had not been, relaxing or exploring. They decided that when Dimitrios flew to certain cities for work, he would add a day or two to his trip during which she would join him. He engaged with his son in ways that worked with his schedule and his interests. He became more mindful of his key people at work.

Why do we slide into mindlessness? When we focus on solving a problem or analyzing something, networks in the brain that enable us to tune into people and their feelings are suppressed.

This discovery supports insights into two forms of attention: focused attention and scanning attention. We need to focus to solve problems and complete tasks. This uses the prefrontal cortex and the anterior cingulate cortex. We also need to scan our environment to be aware of what is going on around us. This uses networks associated with being social and tuning into others’ feelings.

Practicing mindfulness enables us to pause and tune in—and the results are profound. People notice the difference and feel valued. Working with a coach helps break automatic routines and mindfully create a sustainable, productive, healthier, more enjoyable life.
Heart of Leadership

Engage with emotional intelligence.

by Melvin Smith and Diana Bilimoria

Smart people can not only fail at inspiring and motivating their teams, they can destroy interpersonal goodwill.

Jim Curran, production manager in a manufacturing company, has been identified as a high-potential manager. He’s on the fast track—sponsored to attend the Executive MBA program at a prestigious university. Last month his boss, the plant manager, invited him to attend their executive leadership retreat. Today, Jim knows that his crew will need to keep a tight schedule to meet their deadline. Things seem to be humming along. Then suddenly Sam Bundy, the quality control manager, who is conducting tests on the product, shuts down the line. Jim knows that the deadline will be missed as they will need to retool the line to determine what caused the error. He explodes in anger, yelling at Sam. Intimidated, Sam walks away, and his crew follows. They all go to the plant manager’s office. Soon the plant manager yanks Jim into his office and tells him, “You better shape up or you’re out!” Jim is shocked.

Jim is hijacked by negative emotions when things don’t go his way, unaware of the impact of his behavior, oblivious of what others need from him, and unable to engage people in finding solutions—all classic symptoms of leaders who lack emotional intelligence—the ability to recognize and regulate emotions in ourselves and others. If business acumen and strategic thinking represent the heart of leadership, emotional intelligence represents the heart.

Four Clusters of Competency

Several models for developing emotional and social intelligence exist. The model developed by Daniel Goleman and Richard Boyatzis is organized into four clusters of competencies, representing a set of learnable capabilities that result in outstanding performance.

• Self-awareness is the capacity for understanding your emotions, strengths and weaknesses. Self-awareness is key to outstanding leadership. Demonstrating EI, however, requires moving beyond awareness of your emotions. You have to do something with that awareness.

• Self-management is the capacity to effectively manage or control emotions and behavior. These first two clusters comprise your emotional competence. Jim’s emotional response to challenges demeaned and threatened others, instead of inspiring them to positive action.

• Social competence includes social awareness, the capacity to understand and to be attuned to the emotions of other individuals or groups of people.

• Relationship management is the capacity to induce desirable responses in others. The emotional and social competence domains are highly interrelated. While Jim struggled with emotional competence, his lack of social competence resulted in alienated followers ready to sever their relationship with him.

Developing EI

EI can be developed. Richard Boyatzis and his colleagues find that, over two to five years, individuals who completed a competency-based MBA program greatly increased EI. But how do you become a more emotionally intelligent leader? How can you grow your emotional and social intelligence?

Here are five steps drawn from Boyatzis’ Intentional Change Theory:

1. Decide what type of leader you want to be. Tap into a genuine motivation to change by envisioning who you would like to be as a leader, including articulating specific leadership behaviors that you would like to display consistently. You might envision being an inspiring leader of people, not just an efficient manager. This discovery and articulation of the type of leader you would like to become may be facilitated by input from others. But the desire to change has to come from within you. What you are working toward should represent your personal vision of the type of leader and person you would like to become.

2. Assess where you are today relative to your ideal image or vision of yourself as a leader. Self-assess where you are open and honest about your current strengths and shortcomings. Beyond self-assessment, seek feedback from others to illuminate potential blind spots—things that others see in you, good or bad, that you can’t see in yourself.

3. Develop a detailed plan for change. Target areas for improvement in emotional and social intelligence. In what areas are you most excited about learning and growing? Select three competencies that you want to tackle initially (you can work on other things later). Your plan should always be targeted and focused—not just on closing gaps, but on leveraging strengths. By understanding and utilizing your strengths, you can leverage them to close whatever gaps may exist between the leader you are today and the leader you would like to be.

4. Experiment with and then practice new behaviors. No matter how elaborate your plan for change, if you continue to do what you have always done, you will continue to be who you have always been. To make meaningful change toward becoming a more emotionally intelligent leader, you have to do at least some things differently. This requires experimenting with new behaviors. You might practice seeking input from your team. The key is to learn from those mistakes, adjust your behavior, and try something else. To create sustained change, you need to practice beyond the point of comfort—where you perform the new behavior well when you think about it—to the point of mastery where you can effectively engage in the targeted behavior without thinking about it. “Amateurs practice until they get it right. Professionals practice until they can’t get it wrong.”

5. Enlist the support of others to facilitate your development. Behavioral change is difficult, especially in isolation. To become an EI leader, you need to nest your change efforts within a network of trusting, supportive relationships. Turn to people with whom you have a good relationship, one based on trust, empathy, and mutual respect.

By intentionally developing EI, you respond constructively to challenging circumstances, inspire and motivate others authentically, and connect deeply with people—to engage as a leader with the mind and heart.

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ACTION: Develop your emotional intelligence.
LEADERSHIP  •  RENEWAL

Positive Renewal
Can you even keep going?

by Richard E. Boyatzis and Melvin Smith

Leadership is hard, but can be very rewarding. Stress is a part of our lives and essential to our survival and adaptation. But if stress becomes chronic, it causes rifts in our awareness, and eventually erodes our cognitive, perceptual, and emotional openness and performance. Fortunately, the human body and mind have a built mechanism for renewal in the experiences of hope, mindfulness, compassion and playfulness.

For many of us in leadership, our lives—and work—are full, perhaps too full. We’re involved in many relationships and activities that use our energy and demand our attention. These arouse stress, perhaps not acute stress (causing us to pull our hair out), but milder stress that creeps up on us in frequent doses, resulting in a chronic condition. While we need stress to function and adapt, too much of it causes our body to defend itself by closing down. We become cognitively, perceptually, and emotionally impaired.

Participating in an event or activity, or merely thinking about it, can arouse this low-level, yet potent, stress—if any of the four conditions are present: 1) the outcome or activity is important to you; 2) the outcome or consequence is uncertain; 3) you are being observed or evaluated; 4) you anticipate any of these conditions; someone or something angered or upset you. Leaders have an extra dose of power stress that comes from being responsible for people, organizations, or outcomes.

While we’re expanding our responsibilities and being promoted into bigger and bigger jobs and roles, stress builds—but we aren’t given equal time or adequate preparation in practices that reverse its chronic effects. We are not taught how to renew. Our bodies, minds, hearts, and spirits can rebuild themselves, but they might not. The difference is our intentionality in using activity and experience to invoke the neurological networks and endocrine systems that enable our body and mind to heal itself—to renew.

If you are not aware of how much of this annoying stress—and how many moments of renewal—you experience each day, take these two inventories:

Stress Inventory
Review your activities of last week. If you were so stressed you can’t remember anything that happened, give yourself a score of 100. For each Activity/Time listed, count each moment or event on a day that aroused tension, stress, or had one of the four conditions.
- Waking up, did you think of what you had to do, a problem, or trouble?
- Difficulty getting ready for the day
- Traffic or delays in getting to work
- A subordinate, colleague, or client
- Meditation or prayer
- Conversations, phone calls, or emails that aroused any of the stressors

Now, total the number and calculate your Stress Score: _______.

Renewal Inventory
Review your activities of last week. If you can’t remember anything, give yourself a score of 0 to reflect that you likely didn’t experience any renewal. For each Activity/Time, count moments or events, lasting 15 minutes or more, characterized by 1) a sense of inner peace and calm; 2) a feeling of excitement and eagerness in anticipating an activity or the future; 3) a sense of being in the present, not thinking about the past or future; 4) a pause or time out from what you were doing or feeling.
- Meditation or prayer
- Yoga, tai chi, or martial arts practice
- A loving moment with your spouse, partner, or significant other
- Playing with your spouse, partner, or significant other
- Doing something for another person to help him or her
- Coaching or mentoring someone (formally or informally)
- Helping a friend with a compassionate approach (not trying to fix them)
- Modest exercise that you do regularly
- Thinking about values or purpose
- Talking with others about your shared values or purpose

Now, total the number and calculate your Renewal Score: _______.

The Renewal Ratio (as follows):

\[
\text{Renewal Ratio} = \frac{\text{Renewal Score}}{\text{Stress Score}}
\]

If your Renewal Ratio is greater than 1, you may be experiencing the benefit of periodic renewal moments to reverse the damage from chronic stress. Now spread the joy to others! If your Renewal Ratio is less than 1, you may be experiencing more chronic stress than renewal. Engage in recommended pursuits!

Reflect on one thing you could do each day to change the balance (you might work on these plans for renewal with another person or personal coach). Build these conversations about renewal into your relationships; without intentionality, renewal will be unsustainable. Stress will happen, but renewal will only occur if you make it happen.

Four experiences contribute to building closer, more productive resonant relationships: hope, mindfulness, compassion, and playfulness. These experiences also invoke the renewal processes in the body. Without periodic doses of renewal, even those of us with effective, resonant relationships will be reduced to unsustainable performance, and ineffectiveness. We simply burn up.

In Leadership Deep Dive, we work with executives who wrestle with this issue and seek ways to escape this downward spiral. Although natural, this slide is not inevitable. We can, with support from others, including coaches, reorient our work and lives to engage in sufficient renewal each day to keep ourselves excited, effective, and engaged.

The challenge remains maintaining intentionality in our daily dose of renewal to enjoy a healthier life and to sustain or increase our effectiveness at work.

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ACTION: Engage in positive renewal.
Mindful Leader

Three tips to become one.

by Bauback Yeganeh

As organizations stress the need to do more with less, one of the strongest themes I see is an increase in work complexity and load. As one participant in the Case Western Executive Education program reported: “My typical weekday goes like this: Check email, check calendar, go to meetings, run reports, check email again, write a communication and check more email. Since many tasks are repeated, I do them on autopilot, without engaging any part of my brain that involves attention or focus. While we all spend much of our lives in autopilot, the ability to step out of the automatic patterns once in a while requires effort, or present centered awareness.”

Doing more with less is challenging in these settings, since leaders tend to respond by engaging work routines that have helped them get through intense spikes of work in the past. This hinders learning new ways to adapt and eventually results in a pattern in which quantity trumps quality.

As a leader, your mind is your greatest asset. So, be strategic in how you use your greatest asset. You can use specific techniques to improve your mindfulness; and when taught in an environment that integrates leading brain research and sound leadership theory, mindfulness can be a game-changer for business leaders.

What Is Mindfulness?

The following definition of mindfulness informs leader development: Mindfulness is a state in which a person is intentionally aware of momentary experience. Practicing mindfulness enhances mental and physical health, creativity, and contextual learning.

The opposite, mindlessness, is often described as being unaware, focused on the future or past, or being on autopilot. Living mindlessly can result in tunnel vision, stress, unintentional behaviors, poor physical health, low creativity, and difficulty navigating complex systems. How much of what you have done in the last 24 hours was intentional and purposeful? Whatever the amount, I seldom come across a leader who isn’t drawn to the concept of taking back many of the moments that get lost in work.

Three Mindful Leader Practices

To practice mindfulness as a leader, try three core practices:

1. Intentionally anchor your mind to the present moment.

   Being in a state of purposeful intention can be challenging when the environment constantly gives you cues to fall back into automatic work routines. Being mindful requires a disciplined practice of anchoring the mind in the present moment.
   • Anchoring through breathing. Calmly be attentive to your breathing. Relaxed, full breathing in which the diaphragm expands during inhalation and contracts during exhalation results in tremendous performance and health benefits associated with mindfulness.
   • Anchoring through the five senses. Focus on the five senses and take a break from your inner conversations to reset your mind. A byproduct of our abstract and sophisticated communication is that we tend to become over-focused on language and images, at times causing sub-optimal results. Anchoring to the present can happen by paying distinct attention to sights, sounds, and physical sensations.

2. Notice what is happening without judging it.

   Non-judgment or acceptance means accepting the current state as part of a constant flow of changing experiences. Letting go of judgment strengthens the mind, and challenges the belief that over-thinking something helps control it. While leaders are paid to master problems and navigate obstacles, there is a big difference between mindlessly judging and mindfully thinking. When we judge mindlessly, we let what we are experiencing dictate our mental and emotional states, often without being aware of it, and always without being intentional about it. In executive education programs, I ask: “Should your emotional state fluctuate based on the events that happen during the day?” No leaders raise their hands. Then I ask: “Okay, so do you let your emotional states fluctuate based on events that happen throughout the day?” This question always results in a sea of hands raised, and chuckles.

   Traditional cognitive techniques tend to encourage replacing thoughts; however, simply acknowledging what and how you are thinking, without reacting to it, enables you to redirect your mind to what you want to focus on. Try practicing acceptance of whatever you are experiencing in the moment by letting go of evaluation and judgment. It will enable you to act intentionally.

3. Analyze your environment mindfully.

   Being mindful means paying particular attention to situational contexts. Being mindless means thinking in black and white about something, hence reducing its complexity and making errors. A mindful approach to analyzing the environment requires seeking new sources of information and placing a value on doubt. Many cultures reward expressions of certainty. This incentivizes people to act more certain than they may be in order to achieve goals. Study the routines that dominate you and your organization and find new ways to think and act in those times.

   I once asked some leaders who participated in my mindfulness programs to share program impact back at work. Here are a few responses:

   “If I can’t control a situation, I accept it and focus behavior on what I can control.”

   “I’m more present in my meetings.”

   “I’m more aware of keeping an open mind when speaking with direct reports.”

You can practice mindfulness anywhere. Just focus your mind by finding your unique way to intentionally anchor yourself in the moment. Since this is challenging, learn from a credible source. Practicing mindfulness is about leading your mind so that you can purposefully lead others. It is about bringing your best to work, intentionally.

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ACTION: Practice leadership mindfulness.
Managing Continuity

*Lead positive change.*

**by Ron Fry**

Scores of organizations have achieved changes once considered impossible. How? They pay attention to the role of stability in the change effort (managing continuity). They reconnect their stakeholders with their shared strengths to establish continuity, and engage in reasoned choices about which success factors from their history are most important to carry forward in the context of the change topic they are addressing.

Continuity is connectedness, over time, among organizational efforts. It links the past with the present, and the present with future hopes and ideals. Whether represented by best practices, proprietary technology, unique distributor relationships, core values, group norms, specific metrics, or other features, continuity represents what really makes us tick. It creates a sense of pride or meaning in our work, and ensures our business model—and ongoing success.

At the individual level, continuity creates pride, confidence to act, ethical guidance, freedom to explore, and positive emotional affect. At the organizational level, it strengthens commitment, creates psychological safety, enhances decision-making, decentralizes control, provides mission stability, and encourages a system-wide perspective. It results from appreciating what has given life to the enterprise when it has been most alive, successful, flourishing, or effective.

Successful positive change requires stability. No individual or system can deal with total disruption or uncertainty. To take risks, try new ways of doing things, or engage in wild innovation, we must hold on to something reliable. Our work with CEOs reveals that they share a common agenda. Each attends to novelty (innovation), transition (planned change), and continuity (stability). The first two items are no surprise—leaders must address change and innovation in order to grow. The fact that they also attend to continuity (stability) is more surprising. In the Discovery phase of Appreciative Inquiry, they engage stakeholders in structured conversations that reconnect them with their positive core—success factors and best practices that best explain how and why they’ve been at their best.

This search for continuity—a collective articulation of strengths that must be preserved—does four key things to ensure a successful change effort:

1. **It creates psychological safety.** Expressing, in dialogue with others, those things that have most contributed to our success gives us a sense of belonging and being respected. This makes the work setting less threatening before we engage in imagining the future.

2. **It creates positive affect,** which stimulates a basic orientation toward compassion and concern for the other: under conditions of positive emotional arousal, people are more future-oriented, open to change, and interested in learning and development.

3. **It uncovers a cooperative core of practices and behaviors that can be used for future collaborations:** Best practices are usually the result of collaborative effort, and remind stakeholders of possibilities inherent in cooperation and collaboration. When two participants speak to the same collaborative outcomes in a sharing and listening exchange, they confirm the efficacy of their abilities, and begin to imagine greater achievements because they see other stakeholders as more capable as well.

4. **It creates a holding environment that encourages experimentation and further exploration.** Most resistance to change is misread as disagreement with the preferred solution or as ignorance. It comes from fear of the unknown or feeling of disruption. Reconnecting with strengths that provide continuity gives people renewed confidence and stability from which they can embrace uncertainty.

When people search together for continuity, awareness of the whole system—is enhanced. Concern for me gives way to a genuine interest in we.

So, begin a change process by asking: What is not going to change? Search for what gives continuity and life to the organization when it is at its very best in order to create positive dialogue, and collaborative connections to better imagine future possibilities and co-create changes to enact the preferred future.

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ACTION: Lead change by managing continuity.

Leading Teams

*Choose the right metaphor.*

**by Poppy Lauretta McLeod**

Is your team one big happy family? Or maybe you take pride in being a lean, mean, fightin’ machine. These familiar metaphors are used in casual conversation every day to describe business teams. But metaphors are more than mere figures of speech. When understood properly, they are powerful tools for leading teams.

A metaphor is the substitution of one word or idea for another. Business competition, for example, is a battleground or an arena. The substitution describes vividly and concisely the essential qualities of a thing. When we call a company a good neighbor or piece of the rock, we do not need to describe at length the company’s reliability, its history, or the customer service training of its employees. By substituting good neighbor for the name of the company, we rely on common ideas about how good neighbors behave. At a deeper level, however, the metaphor you use to describe your team is the mental model that shapes the way you think about the team and your leadership approach.

Obviously, the leader who pictures his team as a family will adopt a different style than the leader who thinks she is in charge of, say, an ant colony. What’s important is whether leaders are aware of the metaphors that drive their behaviors. Each of us has a mental picture of how an effective team functions, but too often, leaders do not appreciate the subconscious effects of these pictures on their behavior and on their teams.

I offer four principles for working with metaphors that will help you take charge of your mental models, and teams:

1. **Choose the right metaphor.** First, ask yourself: Does your mental model resonate with your team? Consider the example of Alex when he took over leadership of a specialized pharmaceutical R&D team. The team was well-respected in the company and had a reputation for high-quality work. From the outside, this team had always seemed to Alex to be tight-knit and congenial; the members enjoyed working together, and he sensed they had a great deal of loyalty to the team. Alex looked forward to leading the team and
was anxious to be accepted as a member of this happy family.

He soon found, however, that the team members resisted his attempts to show a personal interest in them. Worse, they also seemed resistant to opening up to him about work issues. He even had a vague feeling they were relieved and worked better when he wasn’t around. Meanwhile, concerns began to crop up in the water cooler talk that the new boss was an intrusive micro-manager.

Alex misread the team’s metaphor-in-use. He failed to recognize that the true source of team members’ enjoyment of each other was deep respect for each other’s professional contributions. Team members were highly trained, and their skills and knowledge areas meshed in a complementary way. They were used to working independently. They, in fact, saw themselves as a machine that was well-designed for the work at hand. They expected their manager to obtain resources, to ensure that new members were trained well to fit into the system, and to communicate the team’s goals clearly, then leave them to get on with it.

Had Alex observed and listened more carefully he would have noticed that the strong relationships within this team were a byproduct of the team members’ pride in their achievements, not a result of direct intervention.

2. Make sure that the metaphor fits your culture. Julia learned this lesson the hard way when she was charged with creating a new data management process for her financial services firm, and was given free rein to assemble the team. Julia saw this as a chance to infuse creativity and innovative work methods into the company. She wanted to have a team element that was dynamic, exciting, open, and free-wheeling. She envisioned meetings where ideas would be freely tossed around and the best kept for further development. She smiled to herself as the image of a tossed salad came to mind. Her team would produce fresh ideas, and their recommendations would be not only viable, but also innovative and unique.

The trouble began when the membership of the team was finalized. In her zeal for innovative and creative thinking, Julia populated her team primarily with people who had been with the company for a relatively short time and with people from outside of the core lines of business, overlooking company veterans with deep knowledge of the business. People immediately expressed concerns to Julia’s boss about her team’s purpose.

Fortunately, a long conversation with her manager helped Julia to see the problem with the mental model she held for her team. Her tossed salad didn’t fit well in a meat-and-potatoes culture. This is not to say that the company did not value and seek innovation and creativity, but the approach could not go completely outside of organization practices and norms. Julia might have been on firmer ground had she started by trying simply to substitute rice for potatoes.

3. Know the limits of the metaphor. All metaphors have limits. Metaphors help you to identify and focus on the key qualities and values of your team, but should not be taken too literally. A well-organized and -trained team can be like a machine: efficient, productive, and reliable. But people are not machines.

When things start to go wrong on a team, they can’t easily be traced to a faulty part, nor fixed by replacing it. Most people don’t want to work on a team in which people are seen as disposable.

Be aware that the metaphor-in-use in your leadership style may also place limits on what your team can accomplish. A team that operates as a family may foster mutual commitment, trust, and a sense of security, but may also breed insularity and closed-mindedness to new ideas. As another example, in a highly competitive industry, evoking an image of “combat-readiness” may have an inspiring effect on a team, but modeling the strict hierarchy of a military unit may inhibit individuals on the “front lines” from taking initiative and decision-making authority.

4. Work the metaphor in four ways.


• Describe the everyday emotional climate in the team. Is it: Inspired? Fun? Upbeat? Hopeful? Tense? Fearful? Depressing? Do these values and emotions fit the picture of your team in your mind? If not, or you can’t identify the picture, what comparison(s) can you make that evoke these same values and emotions?

• Assess how well the metaphor fits your team’s purpose. Thinking through the implications of the metaphor will help you to see the ways in which the metaphor supports the team and the ways in which its natural limits hold the team back. For example, if you think the family metaphor fits, does that also imply that out of loyalty you wait too long before addressing poor performance? Also, consider whether the metaphor is compatible with larger organization culture. This evaluation may lead you to consider whether it is time to change your metaphor.

• Go to your team. Sharing a mental model increases a team’s effectiveness. Find or create opportunities for team members to communicate their metaphors. If your team is in the habit of regular self-evaluation or retreats, these present an ideal setting to address the questions presented above as a team. Short of these kinds of opportunities, listen with a critical ear to your team’s talk. Do members express themselves in metaphorical language? For example, do you hear them talking about things “running smoothly” or “humming along”? Do they make reference to their “sister department” or the “parent company”? All such phrases may not necessarily be evidence of a pervasive metaphor, but if you listen with a detached view, you may be surprised by the tendency of an overarching metaphor to surface through everyday language.

Leadership Models and Metaphors

Every leader has in mind a model, or metaphor, that represents his or her team. Some are more clearly developed than others. Some leaders may even have more than one. Bringing your metaphors into sharper focus will boost the power of your leadership.

LE

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ACTION: Choose the right metaphor for your team.
Levels of Leadership

Work at the four simultaneously.

by Michael Devlin and Melvin Smith

Leadership is like a video game. You think you’ve mastered it until you encounter Altair in the game Assassin’s Creed, you see that the challenges and opportunities at the various levels of leadership are all connected. You need to navigate from one level to another, leveraging what you’ve learned at one level to be successful at the next. We’ll identify the perspective and the core competencies that leaders have to take as they progress through these levels.

In this article we explore the four levels of leadership: self, others, organization, and society. Successful leaders need to know how to navigate from one level to another, leveraging what they’ve learned at one level to be successful at the next. We’ll identify the perspective and the core competencies that leaders have to take as they progress through these levels.

Like realizing that Ezio has to re-encounter Altair in the game Assassin’s Creed, you see that the challenges and opportunities at the various levels of leadership are all connected. You need to navigate from one level to another, leveraging what you’ve learned at one level to be successful at the next. We’ll identify the perspective and the core competencies that leaders have to take as they progress through these levels.

**Level 1: Self**

First, leaders need to recognize that all leadership starts from within. Not that it is innate or pre-determined—in fact, we strongly believe that the opposite is true: we contend that effective leadership can be taught and learned, that everyone’s leadership capability can be improved through the application of a strengths-based approach to personal change. The method we find most effective is the Intentional Change Model developed by Richard Boyatzis.

In the application of this model, leaders come to realize that true self-awareness is an essential element of effective leadership. They grasp the importance of understanding their strengths and weaknesses, but also rec-
ognize the need to be in touch with their passions, dreams, and aspirations. They are aware of, and true to, their core values, and have a clear sense of purpose or calling in their lives. Ultimately, they have for themselves a personal vision for the future. Leaders who understand the importance of leading oneself, however, also recognize the need to exhibit self-control. Their passion is tempered by patience, ethics, and good judgment.

The core of Boyatzis’ Intentional Change Theory (ICT) is the word “intentional.” This does not mean attending a seminar on leadership and emerging with the hope that some of that good material will gradually sink in, leading to a series of incremental improvements that result in a vaguely better you. Rather, ICT prescribes beginning by exploring your ideal self, including the crafting of a personal vision statement. Only then is a 360-degree assessment undertaken to identify how the real self matches up to the ideal self, both positively and negatively. The next step is the development of a learning plan that closes the gap between the real and ideal selves. The execution of this plan with the help of others—preferably including a personal coach—is the foundation for becoming a better leader.

Level 2: Others

Obviously, the next level of leadership is leading others. And by “leading,” we are not merely referring to directing or ordering specific behaviors. We are instead referring to the capacity to ignite a fire within others, inspiring them to do more, to give more, and to be the best they can be. This requires an ability to make genuine, authentic connections with others, showing that you understand their needs and concerns, and care as well. People don’t care how much you know until they know how much you care.

The competencies required of a leader in this environment differ significantly from those that helped him craft a clearer picture of his own leadership strengths and gaps. Effectively leading others involves moving beyond the demonstration of the emotional competencies of self-awareness and self-management to demonstrating the social competencies of social awareness and relationship management also. But like playing a video game, where the skills that you mastered at a lower level will be required as you develop new and more sophisticated skills at the next, mastering social competencies requires the continued demonstration and development of your emotional competencies.

Level 3: Organization

While all leaders need to understand the importance of leading oneself and leading others, many leaders have the added responsibility of leading an organization. This requires awareness that goes beyond understanding individuals and small groups to understanding the complex dynamics of the organization as a system. Leaders at this level encounter a new challenge for the first time in their lives: leadership without a personal context, that is, learning to connect without contact. Previous leadership experiences have relied upon interpersonal dynamics. The leader personally connected with team members and developed a level of trust with them. She or he was able to motivate and even inspire team members by looking them in the eye, articulating a vision, creating enthusiasm, drawing out their best selves. But at the organizational level, this one-on-one leadership dynamic often does not exist. So leading effectively at this level involves mobilizing and energizing others toward the attainment of a shared vision without the benefit of an interpersonal dynamic, and often, despite the presence of competing agendas and priorities. It also requires understanding and managing how the organization is situated within a larger context. Leaders must recognize that their organization is not an isolated entity, but a system within a system.

Level 4: Society

Leaders have a role and a responsibility to lead within the broader society. At the end of the day, it is not just about the leader as an individual, or about the success of her or his organization and the individuals within it. Truly outstanding leaders make a difference on a bigger stage. They have a favorable impact on their community, their country, and even the world.

Tony Hayward, former CEO of BP, did not lose his job because he failed to understand the drilling and refinement industry. He lost his job because he whiffed when it came time to understand the role that his company played in the community in which it operated. Contrast that to Steve Jobs, whose vision to “put a dent in the universe” had little to do with creating computers and everything to do with changing the way people live in the world. While he certainly had his flaws, and while he may not have represented the ideal prototype of an outstanding leader, Jobs’ understanding of his company’s leadership role in society had far more to do with his and Apple’s success than a cool-looking MP3 player.

Working Multiple Levels

Just when it seems difficult enough to effectively lead change on one level, we raise the ante. Our lives, dyadic relationships, and teams all conspire to affect and be affected by dynamics in our organization—just as the mood in a family is affected by the parents’ relationship to each other and to their parents. Leading change requires paying attention (again, being intentional) at all of these levels simultaneously. Insights and emotions occurring within a top management team become a key element in the organization’s ability to sustain a desired change.

This multi-level perspective occurs naturally, but is not typically discussed in leadership training and education. But as we saw with Tony Hayward, a misstep at one level reverberates at all of the other levels. We believe, with appropriate learning and coaching, leaders can become as comfortable operating at many levels as they are concentrating on one.

Of course, we are quite aware that it is far easier to state the importance of moving through the levels of leadership than it is to do it. But whether the last video game you mastered was Pong or you are an accomplished villain at the third level of Grand Theft Auto, you understand that the patience, knowledge, and hard work required to move to the next level is enormously satisfying and rewarding. So it is with leadership. It is the most important journey that an executive can take. And when you commit to that journey, your team, your organization, and your community will be glad you did.

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ACTION: Work the four levels simultaneously.
Words Create Worlds

Change conversations to transform performance.

by Ron Fry

Today we are overwhelmed with change models, lists of failure factors to avoid, and constant reminders of how complex organization life can be, and how difficult it can be to lead effective change. Indeed, many change efforts fail, stagnate, lose traction, or even disappear as participants become more focused on project metrics, data submission, and other activities, all in the name of following the plan or process model championed by leadership or consultants. Far too often, participants report that their behavior did not really change; they just added more meetings, trainings, and reporting to their schedules.

What causes or creates behavioral change? Could it be that the elaborate stage or step models we create to deal with complexity have blinded us to something very basic, obvious, and powerful? Could leading or catalyzing change be as straightforward as changing the conversations we have about the change focus? Can words create worlds?

Recent evidence from a steel mill trying to improve safety performance suggests that organizations go in the direction of what they talk most about, and ask the most questions about. Conversations can dramatically shape behavior.

Safety Improvement at Steel USA

Steel USA (1,600 unionized workers) had been managed by a progressive team since coming out of bankruptcy seven years prior. Within the global parent steel company, this mill was one of the most productive in tonnage per man hour. But its safety performance record, as measured by US OSHA standards, was poor.

Early in 2006, an Appreciative Inquiry summit entitled “Embracing Our Future” was convened to solidify and amplify the mill’s culture by engaging varied stakeholders. Around 180 participants represented all functions, shifts, ranges of employment tenure, and levels of responsibility at Steel USA, along with external stakeholders (customers, suppliers, community leaders, and global parent leadership). The participants met for a day to view every employee during fall 2006. The team of 15 were trained in conducting Appreciative Inquiry interviews, and then each trained five or six colleagues, creating a cadre of 70, each of whom would conduct 20 interviews. In total, some 1,400 interviews (out of 1,600 employees) were completed between Sept. and Dec. 2006.

Here are the questions that they used:

• Tell me about a time when you did or said something to keep yourself and/or others from getting hurt.
• Tell me about a time when you felt most safe and secure working in this mill. What in particular helped make you feel safe?
• Tell me about a time when you did something to prevent an accident, a time when you did or said something to keep yourself and/or others from getting hurt.
• Imagine we are injury-free, the safest mill in the global system. Everyone goes home just as safe as when they came in that day. What does the mill look like?
• Interview summary sheets were analyzed by the core safety team and used to prepare for a summit at the end of March 2007. From that summit came 11 change initiatives, all aimed at lowering accidents and creating a workplace focused on safety.

Change Comes From Conversations

Several months later, the trends on accidents reported to OSHA were reviewed. Year-to-year comparisons revealed dramatic improvement. In the finishing division, considered the most dangerous, accident rates fell to record lows!

Typical change management thinking would not predict these trends.

Can site-wide conversations between coworkers somehow catalyze behavior change—without meetings, formal projects, or training? Indeed, these conversations are generative connections: they generate new ideas about safe behaviors, and the energy to act on those ideas takes hold. This second outcome, the desire and energy to act on a shared idea, is rare in organizational life. Mostly, we generate ideas with each other and then wait for the responsible manager or leader to act or initiate action.

Implications

This story underscores a key idea about change: If you want to change behavior related to an issue, begin by changing the ways you talk about it—change the conversation!

We can gather certain change leadership principles from the experience of Steel USA in generative conversations.

• Inquiry drives change. The questions we ask daily as managers are fateful. We move in the direction of our most frequent topics of conversation. If we ask about lower morale, we’ll learn to lessen it; if we ask about high engagement and enthusiasm, we’ll learn how to create more of it. The questions shape the future as much, if not more, than the answers do.
• Reconnecting with strengths leads to positive images of greater possibilities. Story-based questions that revisit best practices, personal and collective strengths, or high-point experiences, solidify personal and group efficacy and propel bold images of what’s possible in the future.
• Positive affect and positive image leads to positive behavior. Strength-based conversations that generate positive affect result in concern for others or for the larger system, beyond personal self-interest. What can result is what David Bohn calls participatory consciousness. The experience of positive emotion is needed for sustained collaboration.

Steel USA experienced a shift in cultural norms. We help each other to stay safe is the new norm. Conversations about safety that included everyone resulted in big changes. Words created a new world.

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ACTION: Learn and apply lessons from Steel USA.
Inclusive Leadership

effectively leading diverse teams.

LEADERSHIP IS ABOUT engaging and energizing people, and inspiring them to give their best, to stretch, to achieve, and to excel. We’ve all been in places where leaders have served as role models and examples of the behaviors we want to emulate—where they’ve sought our input in making things better, made the work we do meaningful, recognized our skills and talents, treated us fairly, and served as stewards and champions of the human assets into the future. When working with such leaders—we are engaged, energized, willing to give our all, to be challenged, improve, achieve above and beyond what we imagine is possible.

In other workplaces, we’ve felt the opposite. Our bosses have been concerned with self-interest—with their own private gain and ego aggrandizement. These so-called leaders are consumed by power and control. They hold back their people; keep them tethered to stagnant jobs; share information only on a need-to-know basis; favor some staff over others; treat their employees as small cogs in a big wheel; obsess about their image, how good they look in the short run; and constantly spin information. At best, under such leadership people become stealth employees who spend inordinate energy trying to fly under the radar until some other work option materializes.

The difference between these leaders is palpable. Inclusive leadership is energizing and motivating; each employee feels authentically valued and respected and is engaged in achieving a shared vision. Inclusive leaders effectively lead diverse teams by creating workplaces where all employees feel valued for who they are, and know their ideas count. They enable their people to feel like owners of the system—like they have a stake in its future—not renters. By acting as owners, team members can leverage their diverse perspectives (ways of thinking) and approaches (ways of doing) to enhance learning and growth and drive business success.

On today’s diverse teams, members may differ in several characteristics and yet feel a sense of true inclusion and ownership. How can a leader encourage a sense of inclusion in the face of such diversity? People feel included when they belong to meaningful groups and are accepted and treated as insiders and not outsiders by others, can access the information, resources, and networks necessary for effective job performance, have the chance to influence decisions and to develop and advance.

Engage in Two Sets of Behaviors

To bring about this sense of inclusion, leaders engage in two sets of behaviors: 1. Authentically value and respect all individuals for their talents and contributions. Leaders’ words and deeds must demonstrate an authentic appreciation for the diverse identities, backgrounds, talents and contributions of all team members. Leaders should first be aware of their stereotypes, biases, and mental models that impede valuing diverse others. They should allow and recognize diverse identity expression from their employees. They should hold others accountable for disrespectful behavior toward different others. Inclusive leaders should articulate the value of diversity for team effectiveness and show a commitment to diversity in hiring, advancement, compensation, and retention practices. And, inclusive leaders should demonstrate a willingness to learn from diverse perspectives.

2. Actively create a high-engagement culture by encouraging the input and initiative of all employees. Leaders should monitor their own behaviors to ensure that they treat all opinions equally and respectfully. They should engender a sense of shared purpose and clear paths among team members, promoting a common vision based on shared values that are directly linked to team outcomes. Leaders should create conditions that encourage members to speak up about ideas, opportunities, problems, and errors, and to engage in vigorous debate about these if necessary; such conditions include a sense of psychological safety that allows the voicing of dissent or imagination, and a learning orientation. By their words and actions, leaders should promote team relations that are fair, democratic, supportive, and welcoming of questions and challenges, rather than team relations that are authoritarian, unsupportive, defensive, or based on favoritism. Inclusive leaders increase the transparency of team decision-making and processes.

By undertaking these two sets of actions, leaders can engineer a shift from an exclusionary and stagnant culture that is de-motivating and de-energizing, to an inclusive and open culture that brings out the best of people, energizes them, encourages collaboration, and supports initiative and innovative contributions from all individuals. Such inclusive leadership leverages team member differences to tap into new opportunities and innovate new ways of doing business. By propagating a sense of inclusion and ownership, inclusive leadership is persuasive and inspiring, and people are motivated to invest themselves in achieving extraordinary results.

Increase Gender Diversity at the Top

Companies with more women on boards and executive teams outperform those with fewer women on a broad range of indicators—and yet women leaders are still sparse. Why? First, individual women may choose to not seek the top jobs, fail to obtain the qualifications, or scale back on full-time work during the career advancement years that coincide with family demands. Second, organizations may not facilitate women’s career advancement because they: permit a culture that is inhospitable to women, impose higher standards of performance for women, allow unconscious preferences for gender similarity, practice conflict-avoidance in personnel decisions, take no action in the face of gender prejudice and stereotyping, or constrain women’s access to developmental opportunities. CEOs can take actions to more systematically advance women to the top and thus bring women’s perspectives to executive decision-making.

ACTION: Create a high-engagement culture.

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Innovation’s New Frontier

Start leveraging the power of a large group AI summit.

Innovation is a precondition to thrive. And innovation, like any discipline that grows and changes, must have a new frontier. So ask this leadership question: If you could choose any one pathway for revitalizing your innovation agenda and deeper culture of innovation, what would you choose? What is innovation’s new frontier?

When I, David, met Peter Drucker in March 2003, I was excited to share insights from 2,000 leadership interviews into business as an agent of world benefit and share stories of business as a force for peace in high-conflict zones, as a force for eco-imagination and clean energy, and as a force for the eradication of extreme poverty.

Drucker listened patiently as I spoke about the sustainability revolution in concrete terms. I named Honda’s new auto factories that have achieved zero waste and are fast eliminating the concept of waste, millennium development villages eradicating poverty through profitability, buildings that generate more energy than they use, low-cost biodegradable packaging, smart grid strategies, and more. Examples also came from large industry-leading stars: Toyota, for example, dramatically outperforming GM, or countries such as Denmark leading the way in energy independence as well as measures of national well-being. I spoke of industries completely redefining themselves—for instance, waste management discovering that some $9 billion worth of reusable materials might be found in the waste carried to landfills each year.

After listening with patience to each account, 93-year-old Drucker smiled and said, “Well, I wrote about it years ago: Every social and global issue of our day is a business opportunity in disguise.”

But how? More managers are asking this, as they’re feeling ill-equipped or blindsided by a world filled with competing demands. Indeed, few companies are failing to go green or grow in a socially responsible in some way. But some are doing it better than others.

Companies fall into two groups. The first see sustainability as a sideline obligation—something to be bolted on. The second group is being strategic and innovative (like Toyota years ago when the “long shot” Prius was on the drawing board) and sees sustainability as a defining feature of a long-term market shift—a world of increasingly depleted resources, radical transparency, and rising expectations. These companies realize that intangible assets like brand value, community trust, license to operate, access to capital, and consumer passion require more than a narrow focus on shareholder value creation. Also needed is stakeholder value creation. We refer to a combined focus on stakeholder and shareholder value as sustainable value.

Michael Porter has articulated this as shared value.

Imagine factories designed to produce more cost-competitive clean energy than they need so that they sell the surplus to the community—it is being done. Imagine Wal-Mart creating a sustainability index for every supplier it works with and every product it displays—it is being done. Imagine asking a design firm to design a new gym shoe that appeals to young people, has buzz, wins on human rights practices, produces net zero carbon emissions, creates no landfill waste, and in addition, can be planted in the backyard after its useful life and will turn into a regenerative tree. You know what the designers will answer. They will say it’s already being done! The Dutch company OAT calls them “shoes that bloom.”

Chris created the concept of embedded sustainability; the incorporation of environmental, health, and social value into the core business with no trade-off in price or quality (no social or green premium). Embedded sustainability inspires innovation—producing new sources of value at six progressive levels: 1) risk—mitigating failure such as BP’s 2010 Deepwater Horizon oil spill; 2) efficiency—reducing energy, waste, and materials; 3) product—creating differentiation and passionate customers; 4) market—entering or creating blue ocean markets; 5) brand—protecting and enhancing brand and trust; and 6) business context—shaping industry standards, rules, even the playing field. This is our six sources of sustainable value model for making sustainability equal innovation.

Suppose your company is doing many good things, but you want to embed sustainable value into operations, supply chains, and customer solutions, as something integral and catalytic. You want strong buy-in to move from incremental to breakthrough change. You want deep value creation pouring out in all directions from the six-sources model.

Leverage the Large-Group

The UN Global Compact US Network consists of over 6,000 corporations working to embed sustainability in their business practices and share strategic practices. High engagement of the whole system of stakeholders is the number one success factor for change at the scale of the whole. And the large group methodology is now soaring in the sustainability domain because of its whole-system capacity to inspire and unite strengths across silos, specializations, and stakeholder separations.

Although the AI summit brings together diverse stakeholders, the process can flow naturally. Natural positivity is unleashed when we collaborate beyond the artificial separations, and it is often easy when the right six conditions are created: start with your strengths; involve the whole system and bring in the meaningful outside; make your summit task-focused; move beyond dialogue to design thinking; real prototypes build momentum; and ask for all six sources of value creation without trade-off in price or quality—with no social or green premium—just innovation.

The Appreciative Inquiry (AI) summit is the best large-group method to achieve change. An AI summit is a large group planning, designing, or implementation meeting that convenes internal and external stakeholders to work on a task of strategic and creative value.

Everyone is engaged, as designers, across all relevant and resource-rich boundaries, to share leadership and take ownership for making a big opportunity successful. It’s surprisingly easy when using the 4-D cycle—Discovery, Dream, Design, and Deployment—to create the innovation and change agenda together.

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Micro-actions
They have macro-impact.

by Bauback Yeganeh

We are creatures of habit. Often, leadership habits are reinforced within a culture. Helping leaders change behaviors is a primary goal of executive education (EE). When leaders succeed at change behaviors at work, they leave EE programs reflecting on new insights and holding their crafted action plans near. The next week, however, pressure reveals its power, pulling leaders back into routines. Seeing this, I believe that breaking habits is the primary lever to practicing new leadership skills. While you need to have a thoughtful leader development (LD) action plan, without a way to break habitual routines, your action plans quickly lose value.

Breaking routines in order to practice new behaviors requires a concentrated and strategic action, small enough to be implemented in any scenario. This micro-action allows a break in routine long enough to then practice desired new behaviors. I’ve used micro-actions with many leaders, and this strategy consistently works, resulting in positive feedback. In a field that is heavier on what great leaders do, than how you can do it, there’s something to be said for the power of simplicity.

Micro-actions are small acts delivered in no more than five seconds. Since they are smaller in size, micro-actions express minimal context. For example, asking a question after a comment to gauge somebody’s interest is a neutral micro-action. The observer, however, embeds that micro-action in a context of personality, work style, relationship, project, team, culture, and history.

During one EE program, I noticed a leader who was struggling to practice new skills in a role-play. He would fidget with his hands and pen. After some coaching, the micro-action that enabled him to change these behaviors was to put his hands one over the other in his lap. The discomfort of being intentional with his hands anchored him in an intentional moment. This removed him from his routine, and he could focus on practicing the new behaviors. The challenge was breaking a habitual routine.

Teaching micro-actions fills a gap in the process of LD that is often overlooked when focusing on content.

Here are 12 examples of micro-actions:
1. Adjusting posture in order to engage more effectively in a meeting
2. Maintaining eye contact in conversation to display empathy
3. Smiling to be a more optimistic leader
4. Asking a question instead of making a statement to promote communication
5. Waiting three seconds before responding to improve listening
6. Focusing on the sound of someone’s voice to engage
7. Intentionally adjusting hands to become a more polished presenter
8. Making an appreciative statement to unlock new types of conversations
9. Paraphrasing someone you are listening to practice social intelligence
10. Greeting someone you normally do not greet to be a more inclusive leader
11. Adjusting your tone of voice to be more intentional
12. Making an empathic statement to support your team

Try mindfully observing all that happens in five-second intervals during your work interactions. Think of all of the little choices you make in a day’s interactions. Now reflect on all the small choice points that aren’t obvious since they’re made automatically. At work, they may include going out of your way to speak with someone, smiling at a colleague, or asking a question in a meeting to invite responses. Each choice can be seen as a micro-action.

Despite the simplicity of micro-action, people struggle with the unintentional routine of unwanted behaviors. Changing behavior is very different from understanding what great leadership is.

Practice Micro-Actions
Take six steps to practice Micro-Actions:
1. Observe yourself in thinner slices of time during interactions. This is a new practice, so orient yourself to slow scanning and notice chances for micro-actions that happen in small bits of time.
2. Identify scenarios to focus on any behavioral change. In addition to interactions in which you want change, also consider your work routines and the individuals you pass by or share space with in limited frames of time.
3. Reflect on your micro-action routines. What were the micro-action choice points in the interaction identified? Did you choose to speak or withhold your voice? Did you smile when you spoke? Did you raise your voice? Did you speak with confidence or shyness? A micro-action routine normally involves multiple micro-actions at play. For example, someone may speak with a particular person, in a particular way, about a particular topic, with multiple gestures displayed. List all micro-actions.
4. Brainstorm a list of replacement micro-actions. Without narrowing down too rigidly, brainstorm alternative micro-actions that may modify the ones demonstrated. To qualify as a micro-action, the action must take five seconds or fewer. List the micro-actions. For example, “I could have spoken more loudly, about x topic, while softening my facial expression, and followed with an open-ended question.”
5. Determine one or two new micro-actions to intentionally engage.
6. Put it into practice. Visualize how you would like to display micro-actions in a scenario. Practice in the scenario and reflect on whether you succeeded. It’s useful to track new micro-actions in this small-scale approach to change.

While rehearsing scenarios is always useful when practicing new behaviors, using intentional micro-actions enables leaders to practice new skills any time. Most micro-actions benefiting a leader in one environment would likely provide benefit in another. And, by breaking interactions down into bits of time, you increase opportunities for practice—there are 12 five-second options for micro-actions in a minute. Considering that routine meetings can go longer than an hour, you have many opportunities to engage in new behaviors each day. This shift in perspective can be profound.

Continuous practice, naturally, makes the desired micro-action and resulting behaviors easier to engage in.

By increasing intentionality of micro-actions, you can mindfully move to action. Breaking behavioral habits is basic to LD. So when you think of how you’ve been neglecting your leadership action plan, start with a micro-action. It is actionable, and breaks your habits so you can purposefully interact. Intentionally lead yourself, and you’ll be even better at leading others.

End of LEADERSHIP & MICRO-ACTIONS
Built to Last

Renew our leadership.

by Barack Obama

At a time when too many of our institutions have let us down, our Armed Forces exceed all expectations. They’re not consumed with personal ambition. They don’t obsess over their differences. They focus on the mission at hand. They show courage, selflessness, and teamwork as they work together.

Imagine what we could accomplish if we followed their example—a country that leads the world in educating its people; an America that attracts a new generation of high-tech manufacturing and high-paying jobs; a future where we’re in control of our energy, and our security and prosperity aren’t tied to unstable parts of the world; an economy built to last, where hard work pays off, and responsibility is rewarded.

We can create an economy that’s built to last—one built on American manufacturing, energy, skills, and values. For example, on the day I took office, our auto industry was on the verge of collapse. With a million jobs at stake, I refused to let that happen. In exchange for help, we demanded responsibility. We got workers and automakers to settle their differences. We got the industry to retool and restructure. Today, General Motors is back on top as the world’s number-one automaker. Chrysler has grown faster in the U.S. than any major car company. Ford is investing billions in U.S. plants and factories. Together, the industry added 160,000 jobs. We bet on American workers and ingenuity. And tonight, the American auto industry is back.

What’s happening in Detroit can happen in other industries and cities. We have a huge opportunity to bring manufacturing back. But we have to seize it. If you are a leader, ask: what you can do to bring jobs back to your country, and your country will do everything we can to help you succeed. It is time to stop rewarding businesses that ship jobs overseas, and start rewarding companies that create jobs here.

We’re making it easier for American businesses to sell products worldwide. Two years ago, I set a goal of doubling U.S. exports over five years. We’re on track to meet that goal ahead of schedule. I’ll go anywhere to open new markets for American products. And I will not stand by when our competitors don’t play by the rules. Our workers are the most productive; and if the playing field is level, America will always win. I hear from many leaders who can’t find workers with the right skills. Growing industries in science and technology have twice as many openings as we have workers who can do the job. Join me in a commitment to train 2 million Americans with skills that will lead to a job.

To prepare for the jobs of tomorrow, our commitment to skills and education has to start earlier. Every state needs to raise standards for teaching/learning. In an economy built to last, we encourage the talent and ingenuity of every person. That means women should earn equal pay for equal work. It means we should support everyone who’s willing to work, and every risk-taker and entrepreneur who aspires to become the next Steve Jobs.

Innovation is what America is about. Most new jobs are created in start-ups and small businesses. So let’s help them succeed. Tear down regulations that prevent aspiring entrepreneurs from getting the financing to grow. Expand tax relief to small businesses that are raising wages and creating good jobs.

Nowhere is the promise of innovation greater than in American-made energy. In the last three years, we’ve opened millions of new acres for oil and gas exploration, and will open more than 75 percent of our potential offshore oil and gas resources. Right now—American oil production is the highest that it’s been in eight years. Last year, we retired more than 30 nuclear reactors and new plants are generating the same amount of electricity.

When we act together, there’s nothing the United States of America can’t achieve. That’s a lesson we’ve learned from our actions abroad in recent years. The renewal of American leadership is felt across the globe. Our alliances in Europe and Asia are stronger than ever.
Leaders around the world are eager to work with us. America remains the one indispensable nation in world affairs.

Lesson in Leadership

Our freedom endures because of the men and women in uniform who defend it. And those of us who’ve been sent here to serve can learn a thing or two from the service of our troops. When you put on that uniform and march into battle, you look out for the person next to you, or the mission fails. When you’re in the thick of the fight, you rise or fall as one unit, serving one mission.

One of my proudest possessions is the flag that the SEAL Team took with them on the mission to get bin Laden. On it are each of their names. Some may be Democrats, some Republicans. But that doesn’t matter. Just like it didn’t matter that day in the Situation Room, when I sat next to Bob Gates—a man who was George Bush’s defense secretary—and Hillary Clinton—a woman who ran against me for president.

All that mattered that day was the mission. No one thought about politics. No one thought about themselves. One of the young men involved in the raid later told me he didn’t deserve credit for the mission. It only succeeded, he said, because every member of that unit did their job—the pilot who landed the helicopter that spun out of control; the translator who kept others from entering the compound; the troopers who separated the women and children from the fight; the SEALs who charged up the stairs.

Moreover, the mission only succeeded because every member of that unit trusted each other—because you can’t charge up those stairs, into darkness and danger, unless you know that there’s somebody behind you, watching your back.

So it is with America. Each time I look at that flag, I’m reminded that our destiny is stitched together like those 50 stars and those 13 stripes. No one built this country on their own. This nation is great because we built it together; we worked as a team; we get each other’s backs. If we hold fast to that truth, in this moment of trial, there’s no challenge too great; no mission too hard. As long as we are joined in common purpose, as long as we maintain our common resolve, our journey moves forward, and our future is hopeful, and the state of our Union will always be strong.

ACTION: Learn leadership from Navy SEALs.

Leadership

Stories of vision and courage.

by Chesley Sullenberger

One of the most underrated aspects of leadership is the ability to create a shared sense of responsibility for the outcome: to inspire those around you to make tomorrow better than today, to constantly strive for excellence and to refuse to accept anything that’s barely adequate.

That’s why I embarked on a personal quest to meet with distinguished Americans—young and old, famous and less well known—from fields as diverse as space exploration, business, government, education, sports, finance, medicine and the military. These are vastly different individuals with varied styles of leadership, but all embody the credo of leadership by example.

I discussed with these leaders what it takes to achieve genuine leadership—having a clear set of values, intense preparation, lifelong learning, making your words match your actions, creating a culture of trust, and caring for those you lead.

Basically, I asked people of achievement what it takes to lead and inspire: What is the essential nature of leadership? What core qualities and characteristics shape our best leaders? And how can each of us learn something we can apply to our lives?

Leaders Interviewed

The leaders interviewed for the book Making a Difference include:

• Admiral Thad Allen, former Commandant of the US Coast Guard who led recovery efforts after Hurricane Katrina, the Deepwater Horizon oil spill and the 2010 earthquake in Haiti
• John C. Bogle, founder and retired CEO of the Vanguard Group
• Bill Bratton, former NYPD Commissioner and LAPD Chief
• Lt. Colonel Tammy Duckworth, former Asst. Sec./Dept of Veterans Affairs
• Jennifer Granholm, former Governor of Michigan
• Gene Kranz, former NASA Flight Director during Gemini/Apollo programs
• Tony La Russa, retired Major League Baseball manager, St. Louis Cardinals
• Robert Reich, former US Sec. of Labor
• Michelle Rhee, former Chancellor for District of Columbia Schools
• Susan Sheridan, co-founder of Consumers Advancing Patient Safety
• Jim Sinegal, CEO of Costco

I also address some of problems plaguing the status quo of American leadership—how there is a lack of real leadership in many of our organizations; an intense focus on the short-term goals; a serious lack of long-term strategic planning; and how corrosive to our organizational cultures executive salaries are that have skyrocketed and bear little relationship to performance.

In Making a Difference, each man and woman demonstrates how important it is, given the rapid pace of change, not only in our culture, but across industries around the globe, to have strong and decisive leadership in our world, and to strive for innovation and excellence.

Leadership Moment

In the instant after geese crippled both jet engines on US Airways Flight 1549 and the aircraft lost thrust, I was shocked to my very core. There was a sense of dread in the pit of my stomach from what I felt, smelled, and heard. The sound of finely balanced machinery being destroyed was like a tennis shoe thrown into a dryer, only much louder. It was intense—the worst thing that had ever happened in my life. It was intense.

I remained stunned for approximately 1.5 seconds after we lost both engines—then immediately kicked into solution mode. After recognizing the enormity of the situation and my body’s reaction to it, co-pilot Jeff (Skiles) and I followed our manuals verbatim. We decided to land in New York’s Hudson River in an effort to save all 155 people aboard. We just did our jobs. It’s a priority for me to get things right and show professionalism in the cockpit.

Something about this event was life-affirming. It reminded people of the potential for good that exists in all of us. I’m just an ordinary guy who, having cultivated certain virtues, was able to perform an extraordinary act. I want people to see that in themselves.

Barack Obama is President of the United States; this article is adapted from his State of the Union address, Jan. 24, 2012.

ACTION: Be an example of courageous leadership.
**Women Leaders**

**Is this a breakthrough moment?**

by Gloria Feldt

Women leaders have come a long way. This is an amazing moment when women can lead and live without limits. I’ve seen women make stunning progress, and I know breakthroughs can happen.

Will women make the breakthrough moment when gender parity in leadership becomes normative—or will we continue on current trajectory? Signs point both ways. Discriminatory laws have been mostly eliminated. Women earn 60 percent of college degrees and make up half the workplace. Many glass ceilings are smashed. Many men too think it’s women’s moment. In his foreword to Enlightened Power: How Women Are Transforming the Practice of Leadership, David Gergen wrote: “Think of all the words we use to describe old style leadership: aggressive, assertive, autocratic, muscular, closed.

When we describe the new leadership, we employ terms like consensual, relational, web-based, caring, inclusive, open, transparent—all qualities that we associate with the feminine style of leadership.”

The business case for recruiting and retaining high performing women leaders is unsellable: when women are included, the quality of decision-making improves and companies make more money. Sustained gender diversity in boardroom correlates with better corporate performance.

Yet women have been stuck for years at 18 percent of leadership positions across 10 sectors. Women are no further along the corporate ladder than they were six years ago! Why? No, it’s not only because women are still regarded as the family caregivers —increasingly, men are sharing those tasks—and yet insidious cultural barriers and implicit biases remain. Still, no law or formal barrier is keeping women from attaining top leadership roles, and no one will walk us through the doors to leadership except ourselves.

My intent isn’t to blame, but to inspire women and give practical power tools to leverage this breakthrough moment. When women run for office, they are elected in the same percentages as men. But they are only half as likely even to think about running. And when they consider it, they wait longer than men to take the plunge.

This same dynamic occurs in work, politics, and personal relationships. You can’t win if you don’t run, and you can’t get into the C-suite if you don’t put yourself forward for the position.

Paradoxically, I’ve spent most of my career working for power for others. This is gendered behavior regarded (and rewarded) as laudable—being nice, putting the needs of others first, self-sacrificing, not caring about such male prerogatives as earning a high income or having a power title. It’s hard to change a culture while you’re living in it. And women who assume power positions by adopting male models of power and leadership fail to bring other women along or help change the culture don’t advance the cause of equality.

**Thinking Differently About Power**

Many women express reluctance to take on power positions (and even avoid programs with the word power in the title), feeling power suggests dominance. Few women love power. Since women have borne the brunt of abusive power-over, many women eschew power even when they have it.

Women need to define power in terms that work for them. Once they define power as the power to accomplish something for others, or for the good of us all, women are more willing to use their power. The use of power is legitimated, taken out of the realm of the power-over realm. When I propose this definition to women, I see tension relieved.

Power-to makes one powerful.

Power-over is passe; power-to is leadership. Kim Campbell, first female prime minister of Canada, said: “Power exists. Somebody will have it. If you would exercise it ethically, why not you? I love power. I’m power-hungry because when I have power I can make things happen.”

By defining power not as power-over but as power-to, we shift from a culture of oppression to a culture of positive intention to make things better for everyone. The breakthrough comes when negative connotations about power give way to a vision of a world where women are equal opportunity leaders and doers, and where both genders can lead with integrity.

**Remarkable Leaders**

Let’s recognize and support them.

by Karol M. Wasylyshyn

The candidate is bright, personable, accomplished, charismatic. But how do you tell if she is the real thing or a narcissistic masquerade?

We need to identify remarkable leaders who can guide us toward success and support them in their growth.

• Employees need to spot the three main types of leaders, manage their boss’s difficult (or quirky) behavior, and navigate their own career future.

• Managers need to analyze and understand their own leadership types and make necessary adjustments.

I coach people how to manage three types of leaders—Remarkable, Perilous and Toxic—and show how to deepen a positive, learning relationship with a Remarkable boss; reinforce best behavior and lessen discontented behaviors with a Perilous boss; and minimize a Toxic supervisor’s destructive effects on you and perhaps others.

The Remarkable leader, who is attuned, active and well-grounded, needs you to: 1) discover the power of establishing a reciprocal relationship by replacing What’s in it for me? with What’s in it for us? 2) Be an ambassador by reinforcing her strategy; and 3) act as a talent scout recruiting A-players.

The Perilous leader, who is intelligent, insecure and moody, needs you to: 1) reduce their sense of unrequited work by emphasizing their contributions; 2) clothe the emperor by keeping it real in regards to employees’ issues and concerns; and 3) keep your boss focused on the power of providing positive affirmation and feedback.

The Toxic leader, who is suspicious, arrogant and cold, needs you to: 1) leverage peerage through open communication with your peers; 2) develop and apply internal locus of control—a belief that you can control your own destiny through clarity about and confidence in your talents, experiences and accomplishments; and 3) decide if it’s in your best interest to stay or to go.

This knowledge can influence more focused decisions about leaders.
Leading from Meaning

**Authentic leaders create the right conditions.**

by Alex Pattakos

**Much has been said** about the global financial crisis, but the real crisis behind this crisis is the crisis of meaning that affects all aspects of our lives. We’ve lost the authentic connection with others—and the ability to engage with the deeper purpose of our lives and embrace life with energy and joy.

We encounter many people who feel that something is missing both in their personal and work lives. They tell us they are stressed at work, unsure of how they fit into the organization’s purpose, and are irritated by their coworkers’ lack of empathy and trust. They feel disconnected and disengaged. The relentless pursuit of money and power has left them feeling empty, feeling that their work is a joyless undertaking—much like that experience by the Greek hero Sisyphus, who was ordered by the gods to push a boulder uphill only to see it slip out of his hands in the last moment and roll down the hill once more.

The good news is that this Crisis of Meaning has forced us to reassess our lives and our priorities and ask: How can our work be more meaningful? This question gets us back to the core of our work and to the core of meaning.

**Leadership and Meaning**

The key role of leadership is to help people connect with the deeper meaning in their work. Yes, leadership is about setting the direction, encouraging ideas, allocating resources, rewarding performance and taking corrective action, but the essence of leadership is to tap into the deeper meaning of what each team member is asked to contribute.

Authentic leadership is about creating conditions that enable the search for meaning. Such leadership can be activated and achieved by working The OPA! Way. The word OPA stems from Greek and is our acronym for three essential conditions that leaders must create to help people connect with the deeper meaning of their work:

- **Others.** A leader must create conditions for connecting meaningfully with others within and outside of their organization. We advise leaders to ask: How can I as a leader help everyone connect in deeper, more authentic ways so that they can find meaning in and benefit from these connections? True teamwork and customer engagement must begin with a discussion about meaning.

- **Purpose.** A leader must create the conditions for engaging with deeper purpose. We advise leaders to ask this question: How can I as a leader help everyone engage with the deeper purpose of their/our work so that they understand and can align their contributions to and find meaning in this deeper purpose? To make a difference in the lives of others, both individuals and groups must begin with a discussion about meaning.

- **Attitude.** A leader must create the conditions for embracing life and work with Attitude. We advise leaders to ask this question: How can I as a leader help everyone embrace the ups and downs, the highs and lows of our work so that they continue to be engaged, resilient, and connect with the deeper meaning of the work?

**The Core of Meaning**

When people lack meaning in their work, they become disengaged, lose their passion, and stop offering new ideas, ultimately leading to lost productivity and harming the group or organization. If people can connect with the deeper meaning of their work, they have the opportunity to be more fully engaged and contribute to the group or organization reaching its highest potential.

**Why do we do what we do?** This is the key question to finding the meaning of and in our work. When we connect with the Core of Meaning, we see many benefits:

- **Engagement and resilience.** In our interconnected world, we understand why we do what we do and, from there, understand how everyone can work together to further this cause. This helps everyone find the meaning of their own work within the context of the meaning of the organization and how it is serving the greater community. For example, Patagonia, the outdoor clothing and gear company is focused on building the best products, causing no harm, using business to inspire and implement solutions to the environmental cause. Everyone understands the meaning of the organization and thus can find meaning in their own work. Patagonia’s Footprint Chronicles and Common Threads initiative helps to reinforce this understanding and build trust and engagement. When tough times arise, employees have also reminded themselves of the greater meaning of their work and thus build resilience.

- **Wellbeing and health.** Our work requires energy, and change and innovation initiatives require even more energy. When we identify the meaning of our work, we can increase the energy we have at our disposal, be less vulnerable to stress, and thereby enhance our own wellbeing and health.

- **Performance and innovation.** High performance and innovation cannot exist unless the leader creates the conditions for people to connect with the deeper meaning of the work and how the work can create a positive difference for the world through improving the lives of others. This meaning-centered approach is the focus of our work. Organizations with this focus include Apple whose meaning is centered on helping others explore and express creativity, and Vancity, a large credit union focused on community leadership and contributing to their members’ and employees’ wellbeing, social and environmental stability, reinforced by their aspirational slogan “make good money.”

Many organizations are undergoing transformations that are humanizing the workforce and focusing on the deeper meaning of the work. Every organization is a dynamic, social process, not a static org chart or structure. Great leaders understand the human side of work and why meaning must be the foundation for the enterprise. Leaders must first tap into the deeper meaning of their work and create conditions for others to do the same. They must lead with and to meaning. It’s time to lead from the Core of Meaning and help others find meaning in their work. OPA! LE
Exceptional Boards

They point in the right direction.

by Punit Renjen

Exceptional organizations know where they’re going; of course, getting there takes teamwork. Management is ultimately responsible for strategy and execution, but boards play eight vital roles: 1) steward of the enterprise; 2) model of values and core beliefs; 3) guardian of strong governance; 4) strategist; 5) risk and scenario planner; 6) public face and market maker; 7) custodian of capital markets; and 8) global advocate.

Two of those roles—strategist and risk and scenario planner—point organizations in the right direction, on the way to their ultimate destination. By playing these two roles, boards provide important counsel during strategy formulation, rollout, and ongoing adaptation to market developments.

In the strategist role, the vital skills for the board are: ask, listen, assess. Boards help define and champion an organization’s identity. Since boards are not tasked with daily operations, they can focus on the long-term and broad-based implications of actions proposed by management. This perspective is central to the board’s role as strategist. Boards help management develop and refine strategy. Chairmen and directors serve management as a sounding board and advisor (ask, listen, and assess). Boards engage in dialogue with management to confirm that strategy aligns with the vision, mission, and core values. These constants reflecting who we are as a business must underpin any determination about where we are going. While organizations periodically refresh and adapt their strategies, exceptional organizations develop strategies consistent with an enduring organizational genome.

As skilled strategists, boards can leverage their non-operational vantage point to help management examine complex issues. For example, in asking, listening, and assessing, boards can evaluate management’s strategy for key outcomes—such as the impact that short-term decisions can have on long-term concerns as employee trust, recruiting, and retention.

Another critical dimension for boards to take into account is time. Mindful of current and future demands, boards help ensure that near-, short-, and long-term strategies converge seamlessly to map the best course. By stepping back to gain a broader perspective, boards can bring strategy into high definition.

Today, for example, boards can help management examine the triggers that might propel the organization and its marketplace beyond the new normal. Boards also can explore for promising adjacencies to their current core businesses. Or, boards can help management prospect for new white spaces where green shoots can take root and change the course of the enterprise.

Since strategy lives in the moment with an eye toward the future, flexibility is key. An adaptable strategy can mean the difference between an enterprise being temporarily detoured or permanently derailed. The board helps management refine strategy by considering alternative paths that can meet the demands of short- and long-term trends.

As risk manager and scenario planner, the vital skills for the board are: imagine and anticipate. Effective risk management and scenario planning enable an enterprise to quickly adapt its strategy to changing conditions. Better still, they can move an organization from merely reacting to the far more assertive posture of initiating and driving. Taking bold but prudent risks by activating a scenario from your playbook may result in first-mover benefits—leaving competitors with the unimaginable.

While these operations also are owned by management, boards play a critical role by imagining and anticipating the unknown. Through oversight and input, boards identify potential roadblocks and evaluate their impact. If necessary, boards can serve as a GPS that says, recalculating, in a calm yet firm voice—followed by suggestions for a new path. Boards also look beyond the horizon to anticipate emerging threats and opportunities that may drive course corrections. Or, boards can advise taking the business off road to test various scenarios under controlled conditions—and propose options that save time, improve productivity, and yield competitive advantage.

Determining where to go in good times is easy—the stakes rise exponentially when times are tough. That’s when a board’s ability to point an organization in the right direction is of greatest value to management and stakeholders.

For example, when I was a senior leader with Deloitte Consulting LLP, our board and senior executives heard rumblings about the deteriorating financial condition of another professional services firm—and the potential for certain of its assets to be sold. The board and C-suite began planning, resulting in a successful bid and purchase of a portion of our competitor’s practice, immediately tripling our scale and catapulting Deloitte into a position as one of the premier providers in that marketplace. Looking back, we considered our actions to be risk intelligent—referring to thorough risk assessment as a prerequisite for informed decision-making. Boards that scan the horizon or imagine the unimaginable can better recognize emerging issues and the potential risks and rewards they carry. Anticipation can mean developing a playbook of responses through calm and careful deliberation or reacting hurriedly in a crisis.

Culture and strategy are key assets. Intangibles such as core beliefs, values, and corporate identity comprise one side of the ledger. Tangibles such as strategy and risk and scenario planning comprise the other. Through oversight and input, boards play a vital role in determining where both sides of the ledger meet.

Gandhi once said: “A small body of determined spirits fired by an unquenchable faith in their mission can alter the course of history.” He could have been talking about a board’s ability to point an organization on a path of enduring good.

By acting as a small body of determined spirits, with an unquenchable faith in their mission, boards can better serve others. By playing their role as strategists and risk and scenario planners, boards can assist management in mapping a firm’s ultimate destination.

ACTION: Create an exceptional board.