

# LEADERSHIP Excellence

Warren Bennis



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

JULY 2011



**Michael Useem**  
Leadership Consultant

**Vowels  
of Strategy**

**Vulnerability**

**Decisive  
Leadership**

Apply the Leader's Checklist



*"Leadership Excellence is an exceptional way to learn and then apply the best and latest ideas in the field of leadership."*

—WARREN BENNIS, AUTHOR AND USC PROFESSOR OF MANAGEMENT

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## Decisive Leadership



General George Armstrong Custer saw Sitting Bull and the Plains Indian warriors as sitting ducks, but it turned out to be Custer's "last stand."

**MICHAEL D. PHILLIPS AND DAVE ULRICH**  
*Vowels of Strategy*  
Practice five behaviors: an A, E, I, O and U. . . . . 3

**FRANS JOHANSSON**  
*Innovation Culture*  
You create one by having diverse teams. . . . . 4

**MICHAEL USEEM,**  
*Decisive Leadership*  
Use a checklist of tried and tested principles. . . . . 5

**TERRY BACON**  
*Power at Work*  
Plug in to five sources. . . . . 6

**MICHAEL A. ROBERTO**  
*Prevent Problems*  
Try finding smoke, not just putting out fires. . . . . 7

**ROSELINDE TORRES AND MARTIN REEVES**  
*Adaptive Leadership*  
Try an adaptive style. . . . . 8

**BARB ARTH**  
*Want Better Results?*  
Then apply six LD best practices. . . . . 9

**SCOTT ALLEN AND MITCHELL KUSY**  
*Leaders Building Leaders*  
Take three actions when coaching leaders. . . . . 10

**DAVID PARMENTER**  
*Winning Leadership*  
Learn from Jack Welch. . . . . 11

**ROBERT BARNER**  
*Brand Management*  
Help leaders manage their personal brands. . . . . 12

**IRVING BUCHEN**  
*How to Predict Failure*  
Ask five questions to uncover ways to fail. . . . . 13

**PETER J. DEAN**  
*Are You Coachable?*  
You must remain coachable to avoid career derailment. . . . . 14

**STEPHEN L. COHEN**  
*The 'L' Words*  
Distinguish between *leader*, *leading*, and *leadership*. . . . . 14

**BEVERLY KAYE AND BETTE KRAKAU**  
*Why Mentoring?*  
Great mentors play four key roles. . . . . 15

**PATRICK LENCIONI**  
*Vulnerability*

Avoid the disasters and five dysfunctions . . . . . 16

**HARRY KRAEMER**  
*Values-Based Leadership*  
My approach encompasses four principles. . . . . 17

**DOUGLAS MATTHEWS**  
*Growth Agenda*  
Apply these four best practices for growth . . . . . 18

**ANDY BOYNTON AND BILL FISCHER**  
*Color of Your Ideas*  
Senior executives need to act on an amalgam of viewpoints. . . . . 19

**JANET BOULTER**  
*Proactive Positioning*  
You can now catch the wind or upswing. . . . . 20

# Winning Leadership

Look for a model in Jack Welch.



by David Parmenter

**J**ACK WELCH, THE CEO who led GE (General Electric) from being worth \$10 billion to \$500 billion, is the consummate model of winning leadership. This model looks at leadership from two perspectives: What *basics* need to be in place; and 2) what *traits* does a leader need to master to be effective? Among the *basics* and *traits* are these:

- **Welch cared enough to be candid.** Caring for people did not mean *hiding behind reality*. He believed in candor, being honest with underperformers. He candidly told people *how they were doing, what they should improve, and how they could improve performance*. His candor enabled more people to participate in the conversation; it generated speed, cut costs, encouraged people to reflect and impelled them to perform to their potential.

He created the 20/70/10 “differentiation” rule where the top 20 percent of performers would be promoted into jobs that fit their strengths, 70 percent be assisted to better meet their potential, and 10 percent be told that their future lies elsewhere. He realized that *underperformers may be in the wrong place at the wrong time* and encouraged them to follow their passion and find a place where they could excel—it is the kindest thing a leader can do.

- **He mastered communication and PR.** Anybody lucky enough to attend a Jack Welch presentation witnesses one of the best *management communicators*. His secret is in his *no-spin approach*. Also, in his writing, he hits the nail on the head time after time. He developed phases and stories that sum up perfectly what he wants to get across. Hundreds of his one-liners will outlive him: *Get better or get beaten. If you are big enough you can go to bat often, take a swing and miss a few and still be in the game. Emotional maturity, integrity and intelligence are tickets to the game. Never buy a company with a culture that does not match yours. Use every brain in the game. Ponder less and do more. Use every encounter with staff as an opportu-*

*nity to evaluate, coach and build confidence.* He handled each crisis on these assumptions: *The crisis will be worse than it first appears. The bad news will come out sometime so may as well face the music now. The situation will be portrayed in the worst possible light by the press. There will be carnage. The organization will survive.*

- **He created a “band of brothers”.** The aim of any leader is to create a band of brothers and sisters feeling within the organization. Welch created an inclusive oneness in GE teams with a shared goal and vision. Team members knew intuitively the correct action to take, requiring little guidance but much trust. This led naturally in creating protégés who were capable to be Welch’s successor.



- **He recognized the significance of recruiting.** Welch saw recruiting or promotion activity as one of the most important things you ever do. He sees recruiting and promoting people who are more skilled than yourself as a positive thing. Jack Welch calls it laying the “golden egg”. During interviews Welch would get “into the candidates skin to find out what they were really made of, to find out if they had a passion for the business, and what their values really were. It was imperative that the candidate’s values were in line with GE values. Welch excelled in *abandonment*—letting go of the past. Peter Drucker said, “The first step in a *growth policy* is not to decide where and how to grow. It is to decide *what to abandon*.” Welch knew when to cut the losses, admit when he had made a mistake, and move on. He saw that many of GE investments did not make sense. He was ruthless with his view of either *fix it, sell it, or close it* when a business did not meet the strict

criteria of being either number one or two in that particular sector.

- **He exuded energy and passion.** As Jack Welch says it is important that a leader “has positive energy, the capacity to go-go-go with healthy vigour and an upbeat attitude through good times and bad”. Welch was a “never say die” leader. Jack Welch says great leaders celebrate more. As he points out “work is too much a part of life not to recognize moments of achievement”. The key for leaders is to ensure that you are in a business sector that you are passionate about. Jack Welch, throughout his life, has always exuded passion from all his pores.

- **He was decisive.** Welch realized that *a decision, even if wrong, is often better than no decision*. Welch would make the unpopular decision and the hard calls even where not all information was available. Welch says that leaders have to rely on their *gut instinct*. They have to realize they have been appointed to the position because of their experience and history of making more right decisions than incorrect decisions. In the decision-making process, great leaders have the “curiosity that borders on skepticism” making sure all the stones have been turned over. Getting a proposal approved by Jack Welch was a baptism of fire. He would try to pull it down from all directions; once the team showed they understood all the issues and could answer all the concerns, Welch then gave the thumbs up and was the keenest supporter.

- **He was always seeking opportunities.** Welch spent much time *looking into the future*. He was involved early with the rise of India and China. Opportunities were embraced and managed to fit both GE needs and local conditions and values. He said: “Control your destiny, or someone else will”; “Change before you have to”; “If you don’t have a competitive advantage, get out of the game.” He is often talked about for his skilful and intuitive gift in managing a portfolio of strategies.

- **He was a champion of Innovation.** Welch was at the forefront of many of the moves GE made under his leadership. He saw change as opportunity. He led the E-commerce and the six sigma revolutions that were to have such a profound impact on GE. He also challenged many established practices in performance management. The annual planning process, which cripples most organizations by taking organizations into some incremental

change and a “*spend it or lose it process*”, was thrown out along with poorly designed reward schemes. Welch saw that the annual planning process led to a “splitting the difference negotiation—a target that would minimize risk and maximize bonus and one that looked merely at some *small incremental improvement* on last year’s performance. This was not the stretch environment that Peter Drucker or Jack Welch thought appropriate for GE. Instead of setting a fixed target in the future, Welch introduced *relative measures*—bonuses would be assessed after the year when results could be assessed against market conditions and market share. There are countless stories of his *focus* on execution. In one meeting, managers were explaining to Jack about the lack of progress in a project. He stopped the meeting and reconvened it four hours later. In that time, the team did more on the project than in the previous three months. Peter Drucker said that *execution was always the benchmark to evaluate a leader*. Great leaders finish what they start. Many initiatives fail because the leader does not get behind the projects and see them through. Welch had the *tenacity* to see his initiatives through.

• **He developed, engaged and trusted his staff.** Energizing others is one of Welch’s *4 Es in Leadership*. Welch would instill confidence in those he came in contact with. As result of the many take-overs GE achieved with Welch, there was a major opportunity to utilize the talent acquired in the take-over. He saw take-overs as a talent grab and wanted to use “every brain in the game”. Welch had a manner that staff warmed to. Everybody felt they could have a chat, challenge a process, or ask a question. By being a patient listener Welch got to know his staff better than most CEOs. Jack Welch sees the HR team as vital to the organization, the head of HR being on the same status as the CFO. Jack Welch’s aim was always to have the flattest structure possible. He saw this as a way to avoid the silo mentality of large multi-nationals. He set up a guide of ten direct reports to a manager. Welch liked to set goals that mixed *the possible and the impossible*. He said, “Effective leaders envision big results.” By raising the bar, managers were forced to *rethink the route plan* and find new ways to succeed. LE

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**ACTION:** Learn and apply lessons from Welch.

## Brand Management

*It’s the key to leadership success.*



by Robert Barner

OVER TIME EACH OF US develops a personal signature brand that represents the image we present to others. Our brand consists of certain qualities and behaviors, or brand attributes that distinguish us in the minds of others. As a leader, much of your success consists of understanding how certain brand attributes work for you and how other attributes impede your ability to forge strong work relationships and get things done. The personal brand that you forge creates expectations in the minds of the people you work with; over time, these expectations can turn into self-fulfilling prophecies. As you form your reputation, you create strong positive or negative expectations in the minds of people exposed to you.

As brand advisors, managerial coaches take four critical actions to help leaders effectively manage personal brands:

**Action 1: Perform a baseline assessment.** Help leaders understand how their leadership brands are seen by others. We all tend to pay attention to our positive qualities while ignoring or rationalizing those that work against us. When coaching leaders, I ask them to give me three words that their boss, co-workers and direct reports would use to describe their best qualities. Then I ask for words used to describe their greatest weaknesses. Often, the second list reflects the first. For example, the leader who prides herself on being results-driven and hard-hitting might also admit that others view her as being confrontational. To perform a baseline assessment, managers can supplement their feedback by soliciting feedback from co-workers who provide different perspectives on how a leader’s brand is viewed. Multi-rater feedback surveys are useful tools for analyzing brands. Also, leaders can discover much about how they come across to others by listening or watching themselves on tape.

**Action 2: Link brand qualities to specific behaviors.** Managers often provide leaders with vague and confusing feedback. Statements such as “Other people have told me that they view you as

being a good team player” don’t provide the listener with much useful information. Help leaders understand how brand attributes such as *good team player* are linked to specific behaviors. For example, a leader who is labeled by others as being *too aggressive* tends to become overly critical during disagreements. When applied to another person, this same label might mean that the person in question is far too pushy and directive when negotiating solutions with her peers. The more targeted the feedback, the more valuable it is for development. In most cases, a few key leadership behaviors are so dominant, repetitive, and visible to others that they tend to shape how others see them.

**Action 3: Explain brand migration.** Leaders need to learn how to effectively adapt their brands as they move from one position to another. The behaviors and communication patterns that work in one setting don’t necessarily work in another. In presentations, for example, leaders with technical backgrounds in IT, research, or engineering tend to provide detailed and extensive explanations to others within their functions. An 80-slide PowerPoint doesn’t work

well when presenting to an executive team. Presenters need to provide a tight, lean presentation, and translate tech-speak to broader, strategic concerns. A presenter is also judged on the ability to respond concisely and confidently to questions and issues that might be raised.

**Action 4: Identify showcase opportunities.** Certain situations enable leaders to showcase their brand strengths. Effective brand advisors help leaders seek such showcase opportunities. For a project manager, this might mean offering to lead a cross-functional team that is tackling a difficult process improvement effort. For a leader with skills in negotiation and conflict management, it might mean helping to resolve a dispute with a major client. Such situations enable people to see these leaders at their best, and to indicate where those leaders can provide additional value in the future.

Managers who see their roles as performance managers and technical advisors, may overlook the developmental role they can play as brand advisors. By providing leaders with brand coaching, managers help leaders to enhance their reputations and develop more effectively. LE

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**ACTION:** Take these four coaching actions.

