

**Extract from the Winning
leadership: a Viking With
a Mother's Heart
Whitepaper
by David Parmenter**

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A Winning Leadership Model

As shown in Exhibit 4, the foundation stones are the basis on which your leadership is built. It is important where possible to ensure that each one is developed and maintained.

Building a Band of Brothers and Sisters

The aim of any leader is to create a band of brothers feeling within the organization. This band of brothers feeling can only be achieved by the creation of an inclusive oneness in a team that has a shared goal and vision. The sign that you are there is that team members know intuitively the correct action to take, requiring little guidance but much trust.

Sir Winston during the Second World War, Sir Edmund Hillary, Horatio Nelson, Sir Ernest Shackleton and Jack Welch were all masters at creating this important culture.

The concept of a band of brothers was first in the public domain with the great bard, William Shakespeare in the stirring speech Henry V gives on the night before the battle of Agincourt.

*"..And Crispin Crispian shall ne'er go by,
From this day to the ending of the world,
But we in it shall be remembered -We few, we happy few, we **band of brothers**. For he to-day that sheds his blood with me shall be my brother."*

Some foundation stones and focus areas impact on significance of the band of brother's. These are marked by a B in a box.

The impact is profound as it has become one of Jack Welch's and GE's major legacies, as attested by the number of highly trained CEOs who are running top 500 organization's in the States including:

- Warren Jensen CFO Amazon, COO Silver Springs Network
- James Mcnerney CEO at 3M and now Boeing
- Matt Espe CEO at IKON Office Solutions
- Robert Nardelli – CEO at Home Depot, Chrysler
- Larry Johnston – CEO at Albertsons
- David Cote – CEO at Honeywell

Another indication of the strength of the band of brothers is an active Alumni. Great companies like GE and Toyota have very active alumni and have their own section in some of the leading networking applications. Past staff are often meeting each other as friends and whilst reminiscing over old times meet to help and do business with each other as they have the same values and drive.

Exhibit 4 Winning Leader Model



Areas of Focus for a Winning Leader

I have based this winning leadership model (Exhibit1) on the lessons derived from Shackleton, Hillary, Churchill, Nelson and many other great leaders. To explain these areas of focus I will frequently refer to Shackleton’s leadership. His feat of saving the whole *Endurance* party in Antarctica is accepted by many, as one of the greatest demonstrations of leadership.

The *Endurance* party lived for two years in the harshest environment in the world, with early 20th-century equipment and no support from outside agencies. He managed to make a home on a floating ice-shelf and sail all his men to the uninhabited Elephant Island. He then sailed a small team across 800 miles of the roughest water in the world in little more than a lifeboat, after which they crossed unclimbed mountains and glaciers in an epic 30-hour traverse. This brief description attempts to pull together much that has been written about Shackleton in a way that it can be digested and embedded in our daily routines. (The full leadership story is told in *Shackleton’s Way*.)

The concept of the servant leader will be explained as you read on. Shackleton managed to juggle the twelve servant-leadership balls with great aplomb.

1. Crisis Management

A “Foul Weather Job”

As Drucker said great leaders anticipate the storm. They know that leadership is a “foul weather job” and thus are prepared for the crisis when it arrives.

Martin Luther King summed it up perfectly

“the ultimate measure of a man (Leader) is not where he (the leader) stands in moments of comfort and convenience, but where he (the leader) stands in times of challenge and controversy”.

Welch had a large realism streak in his body. He would take the necessary action, face the necessary music and move on. Jack Welch handled each crisis on the following assumptions:

- The crisis will be worst 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.

The Old Dogs for the Hard Road, Every Time

Shackleton valued the older men on the expedition; he referred to them as the “old dogs”. On all his perilous journeys, where life and death were in the balance he always had the old dogs in the advance party. He made an interesting observation one day. The older team members ate less, complained less, slept less and were injured less!

In today’s business world, where recruitment is often run by young human resources officers and equally young managers, the old dogs find it hard to change jobs when they are over 50. This is stupid.

Much of one’s best work is done beyond the age of 50 (well, this is what I choose to believe, with of course a vested interest!). One is wiser, has seen it all before, knows where to conserve energy and knows when to put the hard yards in.

Be Flexible in Tactics

Shackleton was always thinking ahead. However, some decisions would have to be reversed on a daily basis as conditions changed. The change in circumstances constantly meant a change in what could be taken along on the next leg of the return journey.

When they knew it was time to leave the breaking ice-floe, he had to assess what was the safest option, bearing in mind the various attributes of three potential destinations. The condition of the men and of the sea, and the fact that one lifeboat was only marginally seaworthy, had to be weighed. In a sequence over the course of just three days, the destination for their escape kept changing: Clarence Island or

Elephant Island; King George Island; Hope Bay (on the Antarctic mainland) and finally Elephant Island where they landed safely.

The vagaries of business and those of an expedition are the same. You will never be able to accurately predict the future. We need to provision for worst-case scenarios and carefully assess what are the best options to take in the given circumstances.

Maintaining a Sense of Humour

Shackleton's sense of humour was always to the fore. He was in fact the life and soul of the group. He was constantly looking for ways to maintain morale. Sir Edmund Hillary was known for his sense of humour and always looked for it in others when recruiting team members.

As Tom Peters says about bad times, "I can say with conviction and confidence that this is when it gets fun for talented and imaginative leaders."ⁱⁱ

2. Abandonment (Letting go of the past)

Management guru Peter Druckerⁱⁱⁱ frequently used the word 'abandonment'. I think it is one of the top ten gifts Drucker gave us all. He said

"the first step in a growth policy is not to decide where and how to grow. It is to decide what to abandon. In order to grow, a business must have a systematic policy to get rid of the outgrown, the obsolete, and the unproductive."

He frequently said that abandonment is the key to innovation. He also put it another way: "Don't tell me what you're doing, tell me what you've stopped doing."

Peter Drucker observed in one organization that the first Monday of every month is set aside for "abandonment meetings at every management level." Each session targets a different area so that in the course of a year everything is given the once-over.

Great leaders know when to cut the losses, admit they made an error of judgment, sell off old parts of their business, and move on. The act of abandonment gives a tremendous sense of relief to the leader for it stops the past from haunting the future. It takes courage and conviction—abandonment is a skill that one needs to cultivate.

Jack Welch had been exposed to Peter Drucker's thinking for some time through Crotonville and one-to-one sessions with Drucker. Welch knew when to cut the losses, admit when he had made an error of judgement, and move on. In his writings you will find countless mistakes that Welch admits to like the "waterless" washing machine.

Welch was aware that many of GE investments did not make sense. The answer would have been "No" to the Drucker question, "If you were not in the business would you enter it now". He thus was known as 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.

Knowing when to abandon and having the courage to do so are the two attributes leaders need. To help you figure out what to abandon, seek advice from sages and, of course, your mentor. These people have been there before you and

can recognize the difference between projects that should be persevered in and those that should be given up.

Letting Go of the Past

Peter Drucker emphasized time and again in his books the needs for leaders to abandon their cash cows when decline is very evident, and create new services that will be the cash cows of the future. Jack Welch was merciless with his abandonment of businesses at General Electric.

When Shackleton witnessed the final sinking of the *Endurance* he knew it meant bankruptcy. Yet not for one moment did he let this event affect his optimistic plans for getting his team off the ice-floe and back to safety.

Changing the Rules

Jack Welch was constantly challenging the status quo. Like all great leaders the rules needed to be changed if necessary. The old businesses of GE were sold because it no longer had the competitive advantages of old. Rather than compete in a highly price sensitive market Welch made the bold decision to get out of that business. Welch challenged bureaucracy all his life, he loved speed and made GE a collection of companies that thought like a small nimble company.

Shackleton changed all the given rules of past Antarctic expeditions to arrive at a team that was multi-skilled e.g., the doctor was skippering the *Endurance* when it docked at Buenos Aires on its final voyage.

Helping Staff Who Do Not Fit To Move On

Peter Drucker was very adamant that organizations should not retain staff who, in his eyes, could not perform. He pointed out that it is the duty of a manager to focus on the positive and to assign tasks that an employee can do. However, if that employee did not fit, a mistake had been made in the recruitment process and the mistake should be acknowledged swiftly and a firing process commenced.

"It is the duty of the executive to remove ruthlessly anyone—and especially the manager who consistently fails to perform with high distinction"

Jack Welch has a 20/70/10 "differentiation" rule. With your top 20% of performers promote them into jobs which are a good fit for their strengths, assist the next 70% to better meet their potential, and make it clear to the bottom 10% that their future lies elsewhere. Good communication will see these staff moving on to better pastures for themselves.

As Welch would say "We made a mistake employing you, and you made a mistake accepting our job offer. Let's work together to find you a job where your passions lie, where you will go to work with a spring in your step. In the meantime we expect you to put your best foot forward so we can be open and honest to your potential employer without compromising your chances." He was adamant that you avoid at all costs a simple redundancy solution or at worst a re-organisation as the costs are too high and you end up "rewarding poor performance".

The strategy now is that we cease to invest in trying to make the "ten percenter" a performing member of the team, we instead help them write their CV, get to interviews etc. You make it clear to the staff member that while you will help

them find a suitable job you will not lie in any reference check so it will be a good idea to "lift your performance from now on in". One thing you will notice during this exit period is that their work rate will improve and they and you will have a spring in your step as both of you will feel a huge weight has lifted from your shoulders.

Six to nine months after the person has left you will come across them in town and do not be surprised if they bound up to you, give you a friendly handshake and say "Helping me leave was the best thing you ever did for me, I am in a great job that suits me and am really enjoying my work and life".

3. Decision Making Ability

Leaders need to be able to make the unpopular decisions and the hard calls where not all the information is at hand. Jack Welch frequently made the unpopular decisions and the hard calls when not all the information was at hand. Welch says that leaders have to rely on their gut instinct when information is not available. They have to realize they have been appointed to the position because of their experience and their history of making more right decisions than wrong ones.

In the decision making process great leaders have the "curiosity that borders on scepticism" making sure all the stones have been over turned, as Jack Welch would say.

Getting an idea passed Jack Welch was a baptism of fire. He would try and pull it down from all directions and once the team showed that they understood all the issues and could answer all the concerns Welch then gave the thumbs up and was the keenest supporter.

However, so many leaders have not yet mastered decision making and thus have to process the baggage that makes them the perennial procrastinator.

As Drucker pointed out the weak leaders make plenty of easy decisions while strong leaders make fewer decisions - the big ones.

4. Recruiting and Promoting

Pick Your Second-in-Command with Care

Shackleton's second-in-command was Frank Wild—an old dog, as Shackleton would say. He was totally dedicated to acting on behalf of Shackleton in his absence. Wild followed Shackleton on all his adventures. Like Shackleton he started off as a seaman and became a great explorer.

Shackleton and Wild were the perfect fit. Wild left the planning to Shackleton and focused on maintaining a happy and friendly morale no matter what transpired.

Drucker said that a leader should always look for a second in command who is as good or better than themselves. They will not be afraid of working with more talented staff. As Jack Welch says when you recruit an absolute star you should congratulate yourself as you have just laid a 'golden egg'.

Recruit Carefully – Get the Right People on the Bus

Drucker saw recruiting as a life and death decision, which should be taken with great care. When talking about recruiting to managers I say to them a recruiting or promotion activity is the most important thing you ever do. Get it right and you have laid a “clutch of golden eggs”, get it wrong and you have a disaster affecting the whole team for months.

Jack Welch embedded a culture of careful selection. GE became expert at selecting quality candidates from the army and lesser well known colleges and universities. GE did not subscribe to the theory that the best candidates were in the Ivy League business schools. He was looking at the attributes the individual would bring to the organization rather than the circumstances that attributed to giving the applicant the ‘Ivy Business School’ opportunity.

Welch saw recruiting or promotion activity as one of the most important things you ever do. He said that it was important to 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 deemed imperative that the application’s values were consistent with the GE values.

Welch took great care in the selection of his successor out of the great wealth of talent who had put their hat in the ring.

Jim Collins in all his books emphasises the importance of getting the right people on the bus and taking great care in the recruiting stage to maximise your chances of this. However mistakes will be made and great organisations recognise recruiting mistakes quickly and help the employee move on to more appropriate pastures.

Shackleton chose his people carefully; he was always looking for character, competence, and multiple skills. Shackleton’s interview questions penetrated the individual to see if he had a positive attitude and a light-hearted, even whimsical nature. His recruitment strategy was as follows:

- “Loyalty comes easier to a cheerful person than one with a heavy countenance” (Shackleton’s words).
- His inner-core members had to be loyal and strong leaders. Shackleton knew the importance, not of just leading by oneself, but of ensuring leadership by others within the team.
- He set difficult tasks for the interviewees to see how keen they were to join.
- He used trials to test whether applicants were able to undertake the menial chores that such an expedition entailed e.g., cleaning decks, sorting out tack, assisting at meal time etc.

To help you with recruiting I have extracted a chapter out of my recent book in Appendix 1.

Promotion

Peter Drucker said that promoting staff was one of the most important decisions a manager/ leader makes. He pointed out that great leaders were not afraid of appointing outstanding people to their team, individuals who, had the potential to outshine their managers. Ducker even witnessed GM spending four hours on one promotion. Sloan, the CEO replied, “If we didn’t spend four hours on placing a man and placing him right, we’d spend 400 hours on cleaning up after our mistake – and that time I wouldn’t have.”^{iv}

Nurture Protégés

Peter Drucker went on to say that it was a leaders job to ensure that there was an able pool of leaders, at least three, to choose from to take over your position when you move on. In other words it is a sign of failure when an organisation needs to seek a leader from outside. If one looks at Toyota and GE, two of the best run organizations, you will be hard pressed to find a time in their history when the CEO came from outside.

When Welch was leaving GE, the organisation had an embarrassing wealth of talent to choose from, thanks to Welch's commitment to nurturing his successor. The six possible candidates who did not get selected went on to become part of the GE alumni and are CEOs running successful organisations.

Jack Welch points out that all the obscene CEO payouts for failure result from the failure, in the first place, to have internal candidates capable of replacing the departing CEO. The search and acquiring of a white knight will always come at huge cost in terms of annual pay packet and termination clauses. See Appendix 2 for an analysis of Jack Welch's leadership through the eyes of this model.

5. Abundance of Positive Energy

Jack Welch says that 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." Shackleton had an abundance of positive energy. He worked the hardest, slept the least, and led from the front. He was fitter than all the others on the team, with the possible exception of Frank Wild.

How many potbellied CEOs can say that? Many would not last five minutes on a treadmill.

Never Give Up

Shackleton never gave up: He believed that "there's always another move, you just have to find it." Having arrived at the whaling town on South Georgia, Shackleton made four attempts to rescue the men from Elephant Island and spent a further seven months rescuing his men who were stuck on the other side of Antarctic.

Shackleton was always a purveyor of hope and optimism. When setbacks occurred, he had to remain outwardly optimistic, despite his own feelings, to prevent a growing despair among his men. He knew that such despair could, in the face of adversity, lead to dissension, mutiny, or simply giving up.

- He kept the men so busy that they had little opportunity to brood over their predicament.
- When he sensed that the mood of the men was darkening, he would use a holiday observance or some other pretence to justify extra rations of food to boost morale.
- Hurley, a member of the *Endurance* expedition, said, "I always found him, rising to his best and inspiring confidence when things were at their blackest."

There must be many a friend who has witnessed Jack Welch's competitive streak. He is the type of golfer who would chip in from the bushes to "halve a hole" that the opposition had already counted as won. Welch was a 'never say die' leader.

Many Celebrations

Peter Drucker pointed out that many leaders were unable to appreciate success. He believe most people brush the evidence of success aside because they are problem focused.

Jack Welch puts celebrations in his top eight traits of a leader, that is how important it is. As he says "Work is too much a part of life not to recognize moments of achievement. Grab as many celebrations as you can. Make a big deal out of them." Welch was all about making business fun. Realising that it is not life or death but a game you want to win.

Shackleton loved a party. Every Saturday night they would celebrate and toast their loved ones. Birthdays were always honoured. He even went to the trouble of taking a Christmas pudding along on the arduous walk to the then—"furthest South" with Scott. On Christmas Day, out came the small pudding with a piece of holly. Through near-starvation he had kept this to share with Scott and his other companion.

Successful senior managers have the knack of making work fun—a quality that often can be seen in how teams perform and enjoy their work. However, for many organizations the "fun" is restricted to obliterating the week with a number of stiff vodkas or half a dozen beers on Friday night.

Some suggestions to *make work more fun* in the office are:

- Be brave and create a workspace that has colour and energy to foster a successful attitude.
- Celebrate success—one company has a newsletter called the *Success Express*.
- Create "CEO bouquets" gifts of either flowers, theatre tickets, or restaurant vouchers that are given out weekly for outstanding achievements.
- Put guidelines on the percentage of time that should be invested in management meetings, board papers, and so on, and monitor these time periods.

Young at Heart

"The Boss was so young at heart that he appeared to be younger than any of us," McIlroy, a member of his expedition, was quoted as saying. Shackleton was always looking for ways to amuse his team—plays, sing-a-longs, cards, moonlight football matches.

Yet this trait is seldom seen in the modern CEO.

An Abundance of Passion

In his book "Buddha hunters" Bruce Holland points out that in all of us is a passion for something. The key for leaders is to ensure that you are in a business and sector that you are passionate about. Jack Welch, throughout his life has always exuded passion from all his pores. He has been the very epitome of a passionate leader. It is interesting to note that he always looked during the interview process for passionate people.

Shackleton, Nelson and Churchill were likewise very passionate about what they wanted to achieve. Their passion ignited the energy in the people reporting to them and attracted like minded individuals to their inner core, their band of brothers.

6. Develop and Maintain Stakeholder Relationships

Key Decision Makers

Shackleton knew that his dream of being the first to the South Pole could be achieved only through the support of the Royal Geographical Society and wealthy sponsors who needed to be inspired by the epic proportions of the enterprise. Shackleton not only was close friends with these decision makers, he was a favourite with many of their wives—his charm, good looks, and attentiveness assured a constant stream of support.

Churchill said he would “make friends with the devil” if it would help Britain’s cause in the war. He maintained close contact with many key decision makers across the world.

Right from his days at university Welch knew what side the bread was buttered. He created lasting friendships with his professors. At GE, Welch was both a maverick and a company man. He could manage this by the close relationships he maintained with the key decision makers.

Be Aware of the Politics

Churchill knew the importance of the U.S. presence in the war. Many of his famous speeches were aimed not only at the British listening public but also at the Americans, who would surely suffer if the Nazis controlled the Atlantic.

Sir Edmund Hillary knew that he would never be in the leading party to conquer Everest if he remained with his fellow New Zealander, George Lowe.

7. Student of Psychology

Let Psychology Be Your Friend

Shackleton was ahead of his time. He read widely in psychology and wanted on his return to England to write his thoughts on the psychology of leadership. Generations have lost much by his failure to complete this task.

His understanding of psychology played a big part in saving the lives of his team. He appreciated the importance of understanding the team’s physical as well as psychological needs.

- On the hike over the mountains of South Georgia, his two team members wanted to rest. Shackleton knew that this would be the end of them and his crew stuck on Elephant Island. He let them sleep for five minutes and then woke them up, saying they had slept for 30 minutes.
- On the famous boat trip, he took two members who would be of no use but could not be left behind. These two were the negative soothsayers who would have poisoned the minds of those left on Elephant Island.

- His selection of crews on the escape from the sinking ice-floe took account of the dynamics of the friendships, the seamanship, and finally the state of the boats. One team had to handle a constantly sinking boat.
- He noted that the moodiness of the expedition's photographer was improved by flattery and by including him in consultations about the expedition's course.
- He would sow a seed if he thought a change might be inevitable.
- During all the trials and tribulations, he never shared any doubts he might have had about their predicament.

Jack Welch has a natural affinity with psychology. Throughout his leadership roles he has been able to motivate teams to achieve extraordinary results. He for a long time has recognized that besides financial rewards other motivating factors that leaders can use to enhance motivation are:

- Enjoyable co-workers (leaders who take great care in recruiting can ensure a good team mix)
- Interesting work that challenges and helps them grow
- Recognition, plenty of it (it is free)
- Celebrations, again plenty of them as Welch says "work is too much a part of life not to recognise moments of achievement"
- A shared goal (this requires great communication and selling)

Minimizing Emotional Damage

Great leaders are able to manage their emotions and avoid emotional outbursts that could damage relationships with their staff. Shackleton was the master of conflict resolution: He avoided emotional outbursts. He would gently point out the reason why it should be done a different way. He would only tell staff off in private and when this was done it was normally in a careful manner.

He did not like all of his team members. One team member stole personal possessions left in the ice. During the difficult 18 months, he worked with everyone. Only on returning to England did he truly punish those who had crossed the line of acceptable behaviour. He did not permit them to be holders of the Polar medal.

Shackleton's philosophy was: When staff members fail you, do not blame them. There were a number of instances where team members failed him. There was one near-mutiny and one captain sailed off early, leaving Shackleton and a small South Pole party to die (*Nimrod* expedition). I am sure Shackleton gave the captain a cool reception, on boarding the boat, but it is said he did not have a cross word with him. Shackleton's view was: "If they fail, it is because I have not trained them well enough or should not have recruited them." In other words, he took the blame.

Welch understood that a merger is never a merger of equals, that in the 'deal heat' it is easy to pay too much and become embroiled in a "reverse hostage" situation where management of the acquired company start negotiating and receiving packages that will only go sour in the end. He saw a take-over or merger as a "talent grab" and saw to it that GE would embrace the new staff so that they would fully use "every brain in the game".

Managing Anger

Shackleton was able to manage his anger and frustration. Many times, he had seen leaders letting go at the subordinates and had promised himself never to be like that.

He was very advanced for his time. He had the capability of choosing not to get angry. When you possess this mechanism, you realize that anger does not help; the emotional damage caused by the outburst cannot be healed quickly and in some cases the damage done can never be repaired. I am sure readers can recall, as if it was yesterday, emotional outbursts directed at them over ten years ago. The apology cannot wipe away the memory.

If you have an anger-management problem, the behavioural change takes around 12 weeks of constant modification. I know, as I went through a behaviour-change program myself.

Embrace Confrontation And Dissidents

President Roosevelt mantra was "if you have consensus on a major decision don't make the decision because the homework has not been done." Drucker said that that there should be conflicting views and these should be evaluated before a decision was made.

Jack Welch would throw everything he could to challenge any new idea making sure the team proposing had done their homework. If they passed this test it was the 'green light' from Jack.

Gary Hamel is adamant that organisations and leaders should embrace irregular people as their irregular ideas can be very valuable.

Shackleton engaged the dissidents and avoided needless power struggles. At critical times, he ensured that the dissidents travelled with him rather than letting them pollute the minds of the younger expedition members.

Shackleton feared that the anxiety of the expedition's artist would spread like an infection to the other men, so he made sure that the artist always resided in his or Wild's tent.

Nurturing New Business

Jack Welch understood that new ventures needed to be managed differently. He always had new ventures reporting at least two levels up the chain and wherever possible directly to him. They were given the freedom and support to develop. The GE model clearly worked as there were many successful ventures.

As Drucker said "you keep your babies in the nursery and not in the front room". Whilst this comment is no longer politically correct we can all appreciate the sentiment behind his words.

8. Creating the Future

Looking for Blue Oceans

Peter Drucker stated leaders need to organise themselves to see the opportunities. He warned leaders not to be complacent. He stated that if you keep doing what you did in the past you are going to fail. He pointed out that it was inevitable that someone's revolutionary idea is around the next corner and that plans need to be in place to make obsolete your past cash cows.

Blue Ocean Strategy written by W. Chan Kim and Renée Mauborgne is the quintessential book on the topic. They point out it is easier to find new areas of business than fight tooth and nail for a dwindling market. Cirque du Soleil is an example of blue ocean thinking. They merged dance, opera and circus together into a great a new spectacle where there were few competitors. The added advantage was that all their performers are treated equally as they had moved away from billing star performers with their high costs and associated demands.

Jack Welch spent much time looking into the future. He was very early on involved with the rise of India and China. Trading opportunities were embraced and managed to fit both GE needs and local conditions and values.

He was at the fore front of many of the moves GE made under his leadership. He saw change as an opportunity. He led the Ecommerce and the six sigma revolutions that were to have such a profound impact on GE. He is quoted as saying

“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”

Big Hairy Audacious Goals (BHAGs)

BHAGs were first mentioned in Jim Collin's book "Built to Last", however it is important to note that all the main writers featured in this paper are very consistent with this message.

They all agree that incremental improvement will never stretch your thinking. With BHAGs we are asking what would we need to do to achieve this BHAG. It is not saying if we do not we will be unsuccessful, or that your bonus will not be paid.

The right BHAG will stir the blood and energise the staff and transcend any changes of the CEO. Collins has defined a BHAG as follows:

- A BHAG should be so clear and compelling that it requires little or no explanation. Remember, a BHAG is a goal – like climbing a mountain or going to the moon – not a statement. If it doesn't get people's juices going, then it's just not a BHAG
- A BHAG should fall well outside the comfort zone. People in the organization should have reason to believe they can pull it off, yet it should require heroic effort and perhaps a bit of luck.
- A BHAG should be so bold and exciting in its own right that it would continue to stimulate progress even if the organization's leaders disappear before it is completed.

- A BHAG should be consistent with an organisation's core ideology

Outside-in

Peter Drucker made it clear that leaders need to look at their organisation from outside in. His work in this area is beautifully summarised in a book called "The definitive Drucker"^{vi}. They need to define their business from the customer perspective. They have to be aware of all the non –customers out there, asking how could we tap that potential.

Drucker commented how great organizations would ensure that the senior management team spent some time each year directly interfacing with the customer, e.g. having a week where they serve customers as front line workers. One great CEO, George Hickton, has used this technique in every organisation he has lead. After the hands on week the senior management are refreshed, more aware of the silly bureaucracy that is getting in the way and a much closer tighter knit team. Drucker singled out Jack Welch as an example of a great "outside in" leader.

Drucker was adamant that leaders must constantly be looking into the future from the customers' perspective. Thus ensuring that CEO's would be quicker to realize when cash cow businesses were in the decline.

Organizations all face times when change is catastrophic, change suddenly comes at a factor 10 force. During these times great leaders have seen the warning signs, made the painful decisions to ditch once successful businesses and refocused into new business areas where they can once again be a market leader. One great book on the topic is Jim Collin's book "How the mighty fall".^{vii}

Shackleton could visualize things ahead and plan accordingly. Extensive planning needs to be performed. The extent of his detailed planning included:

- Different gear to avoid the problems he had experienced in past expeditions
- Provisioning food and equipment that saved their lives many times
- The standardization of packing cases made of a new material (plywood) that could be reconstituted into building material for a hut.

Proactive management of risk

Leaders need to be constantly aware of the risks and be discussing the likely consequences with their management team. Lord Nelson was one of the best leaders at this. He would discuss tactics endlessly over evening meals with his team. His aim was that all the captains would know what to do, in the heat of battle, that was best course of action for the fleet. They would act as one, a "*band of brothers*".

Every day Shackleton was thinking of the risks ahead and this impacted on every decision he made. Hillary always ensured expedition members were well practiced in the drills that may save their lives, and Jack Welch sought to minimize risk by focusing on GE businesses that that were big enough to survive a few "*strike-outs*".

Define the Mission, Values, Vision, and Strategy

Leaders need to define, establish and communicate to all layers of staff the organization's mission, values, vision, and strategy. As Jack Welch says "Everybody then has the same set of facts".

I have to admit to a bit of confusion here, so I set down the *linkages* as part of a learning and reinforcement exercise for us all.

The *mission* is like a timeless beacon pointing to something that may never be reached—for example, Walt Disney's mission is "to make people happy" and 3M's mission is "to solve unsolved problems innovatively." General Electric's Mission is to "improve the quality of life through technology and innovation".

The *vision* is where we want to go by when. The vision is a subset of the mission. It is a tool to galvanize your organization if it is stated with enough clarity and commitment. There are some very famous examples. The one that sticks in my mind is when President John F. Kennedy said, "I believe that this nation should commit itself to achieving the goal, before this decade is out, of landing a man on the moon and returning him safely to the earth."

This simple statement galvanized the whole American scientific community for a herculean effort. Each day, week, and month, employees around the United States were working toward this vision. From the moment it had been uttered, NASA experts were planning backward to see how the millions of building blocks needed to be put together.

The *values* are what your organization stands for: "We believe . ." For example, a Public Sector Entity has the values, "Seek innovation and excellence, engage constructively, ask questions, support and help each other, bring solutions, see the bigger picture." General Electric had a series of values including "Interdependent balance between responsibility to the customers, employees, society and shareholders."

Strategy is the way an organization intends to achieve its vision. In a competitive environment, your strategy will be a distinguishing feature between you and your competition. In the public sector, your strategy is the way you can best marshal your resources to achieve the desired outcomes.

Welch's greatest gift was his drive for simplicity. He believes that strategy can be documented on five slides, see Appendix 6:

1. What does the playing pitch look like?
2. What have our competitors been doing?
3. What have we done?
4. What future events keep us up awake at night?
5. What is our winning move?

Jack Welch called the winning move the big "Aha" for the business. A smart, realistic and relatively fast way to gain sustainable competitive advantage. He sees strategy very simply as getting the right people in the right jobs to drive the "Aha" idea. He wanted the organisation to "ponder less and do more".

Welch promoted the need to have values that worked. Workshops were held and staff came up with very practical wording for the organization's values, such as:

"Act in a boundary less fashion always searching for and applying the best ideas regardless of their source".

Welch sees values as being fundamental, he assesses managers by their results and their values, creating a matrix of four options. The managers with 'good results and poor values' were dealt with in the same way as the manager who failed with both– they were ousted. You can train many things into a person but it is very hard to get them to change values that have been deep routed through genetics, environment and parenting.

With the clarity that Welch communicated strategy, values vision and mission to staff, investors and stakeholders it was much easier for him to get management to make the decisions to get out of all businesses where they were not in a dominant position. Through this clarity it was clear that it was no point in having orphan businesses. As Welch pointed out GE orphan businesses would be a nurtured business in the right hands and so it was both ethically and commercially right to sell them.

The Importance of Core Values and Purpose

Jim Collins and Jerry Porras in "*Built to Last*" highlighted the importance of visionary companies having core values that were closely adhered to and a guiding purpose (mission) that would be relevant in 100 years time.

They gave many examples of core values in the great companies that analysed and came up with an interesting formula.

Core ideology= Core values + Purpose

They define core values as a small set of guiding principles no more than five, that are never to be compromised for financial gain or short term expediency.

They define purpose as a perpetual guiding star on the horizon e.g. the Marriott Hotel Chain purpose is thus "making people away from home feel that they're among friends and really wanted". Or Walt Disney's "bringing happiness to millions".

The importance of these statements will be felt in many areas from recruiting (ensuring a better fit), to promoting and firing.

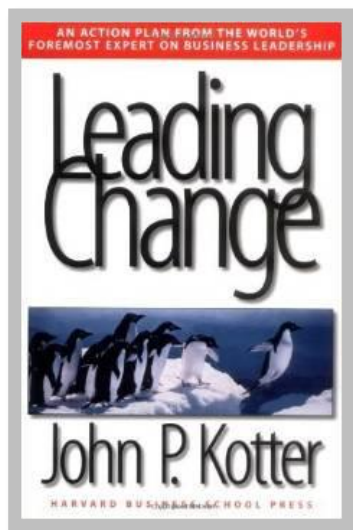
There are some very good examples of built to last organisations core values and purpose statements (mission statements) in Chapter 3 of the his book "*Built to Last*" that are well worth reading.

Leading Change – the John Kotter way

Before we venture on to the process of an implementation we need first to address selling the change within our organisation. As we will know from past experiences this sales process is not easy and can be prone to failure. I would argue that more than half the initiatives that are declined were under sold. In other words, given the right approach the initiative would have gone ahead.

If you are not prepared to learn the skills to cover the common deficiencies in a selling change process I would argue that you are better off playing golf or burying yourself in a process. Selling change requires a special set of skills and we all can and should get better at it. The people with the natural talent in this area are likely to be found in sales or public relations functions.

Leading change by John Kotter



In 1996, John Kotter published "Leading Change"^{viii}, which quickly became the seminal work in the change management space. He pointed out, as we already know, that effecting change—real change—transformative change—is hard. In his work he had an eight-stage process for leading change, a clear map to follow when faced with influencing an organisation to move.

The Kotter, eight step process is:

Establish a Sense of Urgency -However be careful you need to appeal both to the intellectual AND the emotional sides of the audience. Threats lose their value with repetition.

Create a Guiding Coalition – Embrace the change agents that represent a broad cross-section of people

from all levels of the organisation. The people, who have their hearts in it, will provide leadership as they are brave enough to attack barriers

Develop a Vision and Strategy – So the journey can be seen and resources made available.

Communicate the Change Vision – Kotter emphasized that it's not likely that you will under-communicate a little bit; you will probably under-communicate a lot, 10x to 100x too much. And your initiative, no matter how well planned, will fail.

Empower Broad-Based Action – Early on the need for change and the right to change must be handed over to teams within the organisation

Generate Quick Wins – Obvious to us all but frequently missed. Always remember that senior management are, on occasion, afflicted by attention deficit disorder. Progress in a methodical and introverted way at your peril. We need easy wins, celebrated extrovertly, and we need to ensure we set up the CEO to score the easy goals.

Consolidate Gains and Produce More Change – This is the fly-wheel affect so well put by Jim Collins in his books "Built to last" and "Good to Great". It's like tending a fire; you can't start it and walk away.

Anchor New Approaches in the Culture – Make heroes of the change agents, make sure their values are embedded in the corporate values and now ensure we weed out those in management who have not embraced the change and who, over time, will be dowsing the fire at night when nobody is looking.

Learn to sell by using the emotional drivers of the buyer

To sell any concept you need to remember that nothing was ever sold by logic! You sell through emotional drivers (e.g. remember how the dealer sold you a car). Thus, we need to radically alter the way we pitch this sale to the senior management team (SMT), to the CEO and to the board. We have to focus on the emotional drivers that matter to these groups.

Rarely is anything sold by logic. Sales are made with emotional drivers. Many finance team initiatives fail because the team attempts to change the culture through selling by logic and issuing commands. It does not work. All change projects need a public relations machine behind it. No presentation, email, memo or paper should go out unless it has been vetted with the help of a PR expert. All your

presentations should be tailored to suit the emotional drivers of your different audiences and these should be tested in front of the PR expert. I believe you could contract this service for less than four days of fees for the whole project and not regret it. To understand selling by emotional drivers, consider how a car salesperson sells cars.

Selling by emotional drivers: How a car sale is made

Three customers on the same day arrive to look at the "car of the week" that has been featured in the local newspaper. The salesperson does not sell the car by logic (price, features, car reviews); instead, he or she tailors the approach to the buyer's emotional drivers.

The first person is a young information technology guru from the Y generation with the latest designer gear, baggy trousers proudly showing the designer label on his boxer shorts. The salesperson first ascertains that this young professional has enough resources and with some probing finds out that he is a highly paid IT specialist. The salesperson is looking for signs of the potential buyer's feelings and beliefs, such as clothing, the car that the prospect arrived in and more.

The sales pitch could be targeted on the performance and handling of the car and the prowess of the young professional's driving skills. The opening line could be, "Have you had any experience driving powerful cars around a track?" "Great, you will need to have the skills of a racing driver to handle the 280 BHP, the twin turbo and the phenomenal cornering." Sold.

The second person could be me, with my gray hair visible. The salesperson would say, "This car is the safest car on this car lot. It has a five-star rating for safety, eight air bags, enough power to get you out of trouble, unbelievable braking when you have to avoid the idiots on the road and a cornering capability that will keep you on your side of the road, no matter how you come into the corner." Sold.

The third person, with Italian designer clothing and leather briefcase, such as a highly paid SAP consultant, is asked to sit in the car. The focus is on the luxury. "This car has won many awards for its design. See the quality of the leather finish? It is Italian leather similar to your immaculate briefcase. You will notice that everything is in the right place. If you don't mind me saying, Pat, you look a million dollars in your outfit and I can assure you that every time you drive this car you will feel like a million dollars." Sold.

How would we sell the car? I often joke to attendees that they would be so busy, buried in a report, that on sighting a customer, they would slump their shoulders in a resigned way while thinking, "This is the last thing I need." Walking up to the customer, they would remember that they needed to smile and appear welcoming. However, the frowns on their forehead would give the game away.

They would point out to the customer, "As you know, this car has been reduced by another \$5,000 and it is full of features as you would expect in this top of the line car. I have listed all the features on the window and have printed Jeremy Clarkson's review: his only five star rating this year." Handing over the keys, they would say, "Make yourself comfortable, start the car and if you are still interested, come over to my office and I will take you out for a test drive."

I can assure you that selling by logic seldom works and is the prime reason why many initiatives put forward by the finance team fail.

The elevator speech



Having now understood why prior initiatives have failed through poor selling let us now look at how we get the SMT motivated. The key is to have a twenty second elevator speech that is designed to capture their attention. It must be ready so that when we next bump into the decision makers we are practised and ready.

The twenty second elevator speech is designed to capture their attention. The term came about in management books describing how you need to be able to get a point across in an elevator ride, as sometimes these are the only chance you may have to get through to a decision maker. The aim is as they walk away they ask you to come to their office in the next few days to discuss this further.

In answer to the question what have you been up to, or any other inroad to a conversation try something like this.

“I have just calculated that we will be investing \$xm over the next ten years in xxxxxxxxx, and as we all know the process is broken. I have found an alternative process that will save a vast chunk of this time. I would like ten minutes of your time, this week, so I can outline the next steps.”

The key is to fine tune the elevator speech so that it is compelling. I recommend you practise your elevator speech at least twenty times so that it is focused and no longer than twenty seconds. As Kotter, said we need to create a sense of urgency and connect both intellectually and emotionally.

Selling the need for a one day focus group workshop

Assuming we may now have got a certain level of interest we now have to prepare a presentation that focuses getting the SMT to agree to a focus group workshop where all the concepts of the new process can be aired in front of the organisation's oracles. The individuals everyone refers you to when you need something answered (e.g., “You need to talk to Pat”).

Preparing the project sales pitch

This presentation is important to get right. You will not get a second chance. Thus one needs to embrace the better practices around “winning” presentations. I have set some practices in Appendix 3 delivering bulletproof PowerPoint presentations.

Provisioning for the Team

Shackleton and other great leaders, such as Edmund Hillary, were meticulous with their planning. This of course was very relevant to them as there was no courier to deliver missed items.

While the vision must be bold, every conservable risk was minimized to ensure a safe outcome. Shackleton, like Hillary, *over-provisioned*. Hillary planned so that he could, if the “gods were smiling,” surprise Fuchs by getting first to the South Pole in a “motorized transport”.

Shackleton’s original plan was to be away for just over a year, but he had wisely provisioned for two years based on 4,000 calories a day.

Only the best was good enough for the *Endurance* expedition. New equipment never tried before was designed, and backup equipment was the best that money could buy. The food brought on board was fit for a king; unusual treats that were capable of being stored for years were taken. In the bleakest moments Shackleton presented his men with a treat that would to say to them, “There is more of this when we get home.”

Lack of provisioning for team members is a common failing of many managers. They expect their teams to work “flat out” without the correct equipment. Rarely have I seen a CEO who has put the staff’s need for equipment high up on his or her agenda.

9. Managing through the organisation’s CSFs

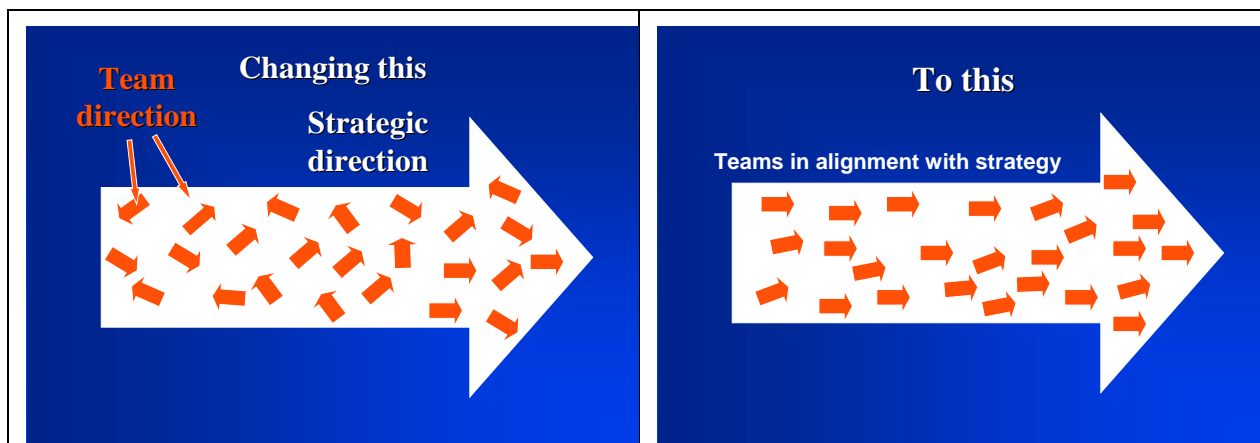
Communicate the Organization’s Critical Success Factors (CSFs) Clearly to the Staff

Truly great companies know their critical success factors (CSFs) and communicate these to their staff (Drucker called these key performance areas). Yet many organizations have not distinguished their *critical* success factors from the myriad success factors. Teams are thus often travelling in a direction very different from the intended path.

Whilst it should be a given that an organization has its mission, values, vision, and strategy clearly stated few organisation make this an inclusive process. If an organizations is to be “focused, fast, and flexible” as Bruce Holland, a strategic planner and communicator, has advocated, strategic planning processes must be much more inclusive.

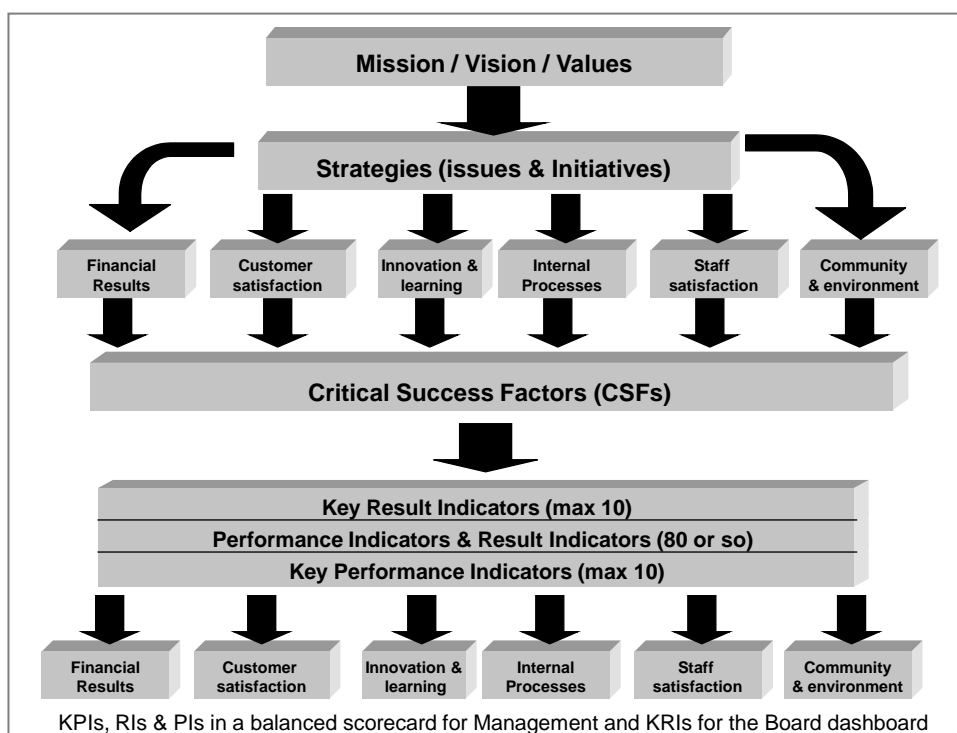
As Exhibit 5 shows even though an organisation has a strategy teams are often working in directions very different to the intended course. However if staff know what the organization’s CSFs are they will be able to align their daily activities closer to the strategic direction of the organisation as shown in Exhibit 6. I have written a white paper on “*Finding your organizations’ CSF*”^{ix}.

Exhibit 5 Discord with strategy	Exhibit 6 Alignment with strategy
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The relationship between CSFs, strategy, and performance monitoring is vital and is illustrated in Exhibit 7. If you get the CSFs right it is very easy to find your winning KPIs e.g., once the 'timely arrival and departure of planes' CSF was identified it was relatively easy to find the KPI - 'planes over 2 hours late' for a well known airline.

Exhibit 7: How CSFs and KPIs fit together and link to Strategy



Shackleton knew the importance of getting the team totally aligned. He recognized intuitively that this would happen through understanding the critical success factors and ensuring each day that the team planned its daily duties with this in mind.

Concentrating on What You Are Good At

Jack Welch turned GE into a power house by ensuring every business they had was either first or second in the market place. If it could not realistically achieve this position it was moved on.

This striving to focus and plan for what you are good at lead Jack Welch to follow Drucker's advice that "Your backroom is someone someone's front room". In other words, if others can do a job better than you can subcontract to them rather than diverting energy to be good at everything, a task that is impossible to achieve.

Peters & Waterman called it "stick to your knitting" and Jim Collins called it "stay focused on your flywheel". These writers were saying that organisation's should stay focused and avoid the diversions of exciting new possibilities where they will absorb too much of the available energy.

10. Champion of Innovation, Quality and Learning

Embracing Innovation and Quality

Drucker saw innovation as being one of the reasons for a organization for being in existence. He saw innovation being fed by his principle of abandonment. The freeing of resources to be allocated to something new.

Drucker was adamant that leaders nurture innovation and not try and force it through to production without adequate testing. His often quoted "Babies don't belong in the living room, they belong in the nursery" indicated his belief of pilot testing at three separate sites before mass production.

Jack Welch was the champion of both innovation and quality. He lead the introduction of six sigma and ecommerce into GE, he was also responsible for being the catalyst of the massive IT software industry in India by being the first multinational company to contract Indian companies to develop software for them. He saw six sigma as improving the customer's experiences, lowering costs and at the same time building better leaders.

He was a champion of innovation. He wanted innovation to be part of the culture. Workshops were held called "work-out process" where groups discussed better practices and at least 75% of all recommendations from the brainstorming sessions had to be given a "Yes or No" by the manager at the close of the workshop and the remaining recommendations had a maximum 30 day gestation period before a decision had to be made. This technique forced the decision makers to give innovation a go, allowing for some failure in the knowledge that these would be outweighed by the success stories.

Shackleton always learned from prior experiences. His experience of Captain Scott showed him the type of leader he did *not* want to be.

Shackleton designed special clothing, the equivalent of GORE-TEX® today. He also designed a tent that could be quickly erected in a blizzard. These two innovations no doubt saved the lives of his men.

The *James Caird* lifeboat that made the crossing to South Georgia was modified, and these modifications saved them all as a 40-foot-plus rogue wave swamped the boat during the journey. The wave was so large that Shackleton at first mistook it for a cloud!

Try a Lot and Keep What Works

All the writers mentioned in this paper are preaching the need to innovate and not spend too much time trying to second guess whether it will work or not. All the built to last companies came up with their big ideas through a bit of serendipity. Jim Collins refers to it as very much like Darwin's survival of the fittest. Try a lot of things and only let the strong ideas survive. In the Motorola example he points out that Motorola see innovation very much like a growing tree, you let it branch out but you are also constantly pruning.

For years Toyota have been practicing kaizen and there 14 principle's are set out in Appendix 4.

Jim Collins has created a blue print for evolutionary progress based on analysing 3M. These five steps are:

- **Give it a try and make it quick-** When in doubt, vary, change, solve the problem, cease the opportunity, experiment, try something new even if you can't predict precisely how things will turn out. No matter what don't sit still.
- **Accept that mistakes will be made.** Since you can't tell ahead of time, which variations will prove to be favourable, you have to accept to accept failures as an evolutionary process.
- **Take small steps.** It's easier to tolerate failed experiments when they are just that. Experiments, not massive corporate failures.
- **Give people the room they need.** When you give people a lot of room to act you can't predict precisely what they will do, and this can be beneficial. 3M give their staff 15% of discretionary time to play around with ideas. The post it note was developed this way.
- **Mechanisms/build that ticking clock.** 3M ideology creates an environment where innovation was cut loose. 3M does not just throw a bunch of smart people in a pot and hope that something will happen. 3M lights a hot fire under the pot and stirs vigorously.

Challenging the Status Quo

Jack Welch also challenged many givens in performance management. The annual planning process which cripples most organisations by taking organisations 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 lead to a "splitting the difference negotiation". A target that would minimise risk and maximise 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. In other words, bonuses would be assessed after the year when results could be assessed against market conditions and market share etc.

Embracing Learning

Few organisations have invested as much as GE has done into creating a learning environment. In many cases it is the determining factor between good and great organisations. Jack Welch, followed the GE model and supported the Crotonville school for managers that had been set up by his predecessors. Welch's support went as far as insisting that the senior management team, including himself, spent time delivering workshops.

Welch knew that the senior management team (SMT) would learn much from this "downward mentoring". It would help clarify concepts and energise the SMT.

At over 70 there are few CEOs today who spend so much time passing on their knowledge. If Welch was British he would be knighted for this effort alone.

Approach Problems with Your Ignorance

This is a classic Drucker insight. At first you wondered about Drucker's sanity until you dig deeper. Drucker is saying that leaders, great leaders, do not regurgitate old methods for new processes. They are open to right brain thinking, they accept that "what everybody knows is frequently wrong".

Drucker's success as a consultant was that he always approached problems with his ignorance. He would ask the dumb questions that got to the point. On meeting a CEO, when the opportunity was right, he would ask

"If you were not in the business would you enter it now?"

Followed by

"What are you going to do about it"

11. Execution

"Execution First Always"

Peter Drucker said that execution was always the benchmark to evaluate a leader. Clearly leaders need to be able to say yes, no or maybe. As Drucker pointed out good leaders realize that a decision even if wrong is often better than no decision.

Welch was a past master at execution. There are countless stories of his focus on execution. In one meeting managers were explaining to Jack Welch about the lack of progress in a project. Jack stopped the meeting in its tracks and reconvened it in four hours time. In that time frame the team did more on the project than in the previous three months.

Shackleton, Sir Edmund Hillary, and Churchill were also all excellent at execution.

Finishing What You Start

Many initiatives fail because the leader does not get behind the projects enough. Many leaders have an attention deficit disorder that rivals any teenager's

concentration span. An additional problem is that some projects are started that, with proper counsel, would never have left the drawing-board.

Some ways you can make a difference in this area include:

- Monitor all late projects each week and make it career-limiting for project managers to be on the “late project list” on a regular basis.
- Have a projects-in-progress summary and review it at least twice a month thus ensuring the projects are finished as fast as new ones are started.
- Set up a focus-group workshop to assess the feasibility of all new major projects—these focus groups typically are comprised of experienced individuals across the organization. During the day they discuss the main problems, discuss the technology that is being proposed, see a presentation of the proposed new systems, and brainstorm the main hurdles the project team will need to clear. If at the end of the workshop the focus group gives the green light, you then have 20 or so sales agents for the new system around the organization.

12. Develop, Engage, and Trust

Removing Barriers of Rank to Build Cohesion

Shackleton was anti-establishment. He would have loved the changes of open-plan offices and rotational teams. Tasks were assigned based on an individual’s skills. All members, including Shackleton, did the dishes, cleaned the floor, and so forth. When it came to rationing the fur-lined sleeping bags to the team, straws were drawn. The three main leaders drew the short straws, in a rigged draw which benefited the younger men.

Shackleton always minimized status differences and insisted on courtesy and mutual respect between all members of the team.

“Energize” Others

Jack Welch^x puts this trait in his top-five must-haves for leaders: the ability to release the team members’ positive energy “to take any hill.” With the many take-overs GE did with Welch there was a major opportunity to utilise the talent acquired in the take-over. Welch unlike most CEOs avoided the conqueror syndrome and made it patently clear that this was a great opportunity for anyone who wanted to rise up to the challenge. He saw take-overs as a talent grab and it was criminal if the acquired staff were not engaged ASAP.

Shackleton had the ability to energize others. The team was prepared to take on any task he wanted as they knew he would be working beside them. He energized them to; spend weeks in the futile task of trying to break the ship free from the ice, haul the lifeboats over the ice-floe, and make the seemingly impossible traverse of South Georgia’s snow peaked mountain range.

Giving Recognition Freely

Recognition is more important than most of us understand. I believe it is one of the most important driving forces in performance. Yet so many companies, managers, and leaders believe it has to be given sparingly, as if too much recognition would water it down. There appears to be a tax on recognition.

McDonalds and other companies have taken this tax on recognition to the ultimate by having an *employee of the month*, indicating that only one staff member can achieve this. What does this say to the rest of the staff? Surely, if four staff have succeeded, then four staff should be given the award!

I will never forget my daughter at the age of eight-and-a-half, travelling on Christmas Day, as she was given a cardboard origami paper-plane kit by the flight attendant, turning to me and saying, "Dad, will you make this for me—nobody else will be able to do it as quickly as you!" Throughout the flight she watched my progress, encouraging me by saying, "Dad, you are ahead of everybody else—it looks fantastic." I knew that day my daughter had a special and important gift—the realization that giving recognition costs so little yet makes such a lasting impact.

As a leader, when did you last:	Date of last activity
send a signed memo of thanks to a member of the staff?	
ask team members up to your office to offer them thanks for going the extra mile?	
send a letter of thanks to a major customer, appreciating the continued relationship?	
send a letter to a major supplier, appreciating their faultless supply record?	
attend the orientation program of new recruits, asking questions that show you have taken the time to read their curriculum vitae and stating that you look forward to their contribution?	
walk around the offices and factory talking casually to staff?	

Fitness and Health of the Team

Great leaders care about their staff. Shackleton devised many activities on the ice-floe to keep the team in good health. I am sure some of the team would have had more serious health issues had they been marooned in the United Kingdom in 1914-1915!

Health, fitness, and general well-being of staff are core values some pursue vigorously and to which other CEOs merely pay lip service. I know of one organization where teams are in competition vying for the greatest weight loss. Each person in the organization has been given a walk counter. This is encouraging people to walk at lunchtime, walk up the stairs instead of taking the elevator, walk to work, and so on. The team says it has made a big improvement in staff satisfaction.

Cross-Train and Rotate Teams to Develop Staff

Shackleton broke down the barriers that would get in the way of a cohesive team. He devised a staff rotation where all team members, including himself, were involved.

Sir Edmund Hillary also used cross training successfully in his Antarctic expedition.

Matching Tasks to Individual Capabilities and Personalities

Shackleton went to great lengths to match the tasks to individual capabilities and personalities. While stuck on the ice, he ensured that the entire team was occupied in relevant activities: "He never expects one to do more than one is capable of."

This model is very different from "Throw them in the deep end and see who can swim." Not surprisingly, this philosophy is very common in organizations that can be heard complaining about high staff turnover!

Peter Drucker pointed out that it was a leader's duty to focus on what staff can do well, their strengths and fit tasks around them rather than criticize them for their weaknesses.

Know Your Staff Inside Out

Shackleton spent time with each member of his team to find out what made them tick, how he could best lead them, and how he could serve them. It is no wonder he was called the "Boss."

Welch had a manner that staff warmed to. Everybody felt they could have a chat, challenge a process, ask a question. By being a patient listener Welch got to know his staff better than most of his peers around the world.

I am sure Margaret Thatcher, former prime minister of the United Kingdom, was called many colourful things by all those who had to work for her. Her style of managing through fear was based on a totally different model. I have yet to come up with any stories of government officials who would gladly have gone over the top of the trenches with her. Yes, she was fearless, incredibly intelligent, and operated on only five hours' sleep, but her leadership qualities were flawed in many respects.

Raise the profile of HR in your organization

Great leaders, like Jack Welch, have always recognized that the HR team are vital to the organisation. The head of HR was a member of the senior management team and was involved in all recruiting, promoting, training and disciplining processes. Leaving HR to a young graduate to write meaningless policy inserts for a 'never read' manual is a sure fire way to running down an organisation.

Flatter Structures

Jack Welch aim was always to have the flattest structure as possible. He saw this as a way to avoiding the silo mentality of large multinationals. He set up a guide of ten direct reports to a manager. This was possible as every manager in GE had

attended a management training course. Many at the large GE training centre at Crotonville and had actually heard Welch's views on leadership, from the man himself.

Home Grown Leaders

All the writers featured in this paper are adamant that it is the duty of an organisation to grow its own leaders. Peter Drucker said you should have at least three protégés in the wings. This is a feature that many of the visionary companies analysed by Jim Collins have whole heartedly embraced.

13. Valuing Results and People

Setting Goals That Stretch

Drucker was adamant that goals should stretch the team. They should be possible but a big ask. He was however equally adamant that they should not be used to beat up staff who were not achieving them. Drucker pointed out that it is only worth focusing on staffs' strengths.

He was also aware of the dangers of setting targets and linking pay to these. He agreed with other writers that it was far better to view performance retrospectively and compare achievements against the market, against other teams to ascertain the extent of achievement.

Jack Welch liked to see goals that were a mix of between possible and the impossible. He went on to say "effective leaders are not afraid to envision big results". By raising the bar so high staff and management were forced to totally rethink the route plan. New ways had to be found to succeed and so often this was achieved.

In my book "The Leading –Edge Manager's Guide to Success" I have ascertained the ten foundation stones for performance related pay.

Valuing Life

Shackleton valued life. No goal or target was worth the loss of life. History proves that Shackleton would never attempt a goal if the return journey was not guaranteed. He could have been the first to the Pole, but he knew that he and his men would have died doing it.

Captain Scott, on the other hand put his goals before his men's safety. Frank Wild, in an early expedition, at one point had to disobey Scott's orders—otherwise five men would have died. Scott, in a later expedition, managed to kill all of the advance party, including himself.

Many senior managers and CEOs have killed staff or been killed through presiding over a system whereby staff had to take unnecessary risks, such as making staff drive home after working 12 hours, demanding that a chartered flight go when the pilot has warned that it is too risky, or sending staff to war-torn countries with inadequate support, training, or a functional escape plan?

As Edmund Hillary once said about George Mallory and Andrew Irvine's attempt on Everest, "I always thought conquering mountains meant coming back alive."

Valuing Work Life Balance

Whilst Welch ran an organisation that made no bones about extracting every bit of value out of their staff and managers it did also support those that needed time out.

Staff who had already collected a 'pile of chits' were able to take time out to recover their work life balance before they needed to press on. In other words you earned a work life balance by delivering well and gaining the pile of chits.

14. Gather and Learn From Experiences

From an early age, Shackleton looked for experience. At the age of 14, he was a cabin boy on his first sea voyage. He learned from working with both great and not-so-great captains. He sought to go on as many polar adventures as he could, to prepare himself to get to the South Pole. This level of preparation can be seen in the lives of Edmund Hillary, and Winston Churchill, and in many of the leaders in the book, *In Search of Leadership*.^{xi} You are never too young to take on some form of leadership, as all experiences, whether good or bad, create valuable learning opportunities. The same cannot be said about those sitting in front of the television watching endless sports coverage.

Learn About the Organization In Order To Lead

Drucker said that a leader needs to have experience in the enterprise he or she is running. CEOs from outside the company and outside the sector have a slim chance to succeed as they will find it extremely difficult to win and hold the staff's trust.

Welch had this experience in bucket loads as he only worked for GE in his entire career, making him a 'rare bird indeed'.

Leaders Need to be Constantly Reinventing Themselves

Great leaders have a thirst for knowledge and constantly are looking at ways to move their learning on, constantly reinventing themselves. Management professor Nancy P. Rothbard, from University of Pennsylvania agrees that Welch's ability to reinvent himself and the company was pivotal to his success. "He pursued not just one major initiative while he headed the company, but a whole host of initiatives, and he focused attention on each of them."

Welch was an avid reader of the financial and management press and journals. He makes it very clear that it is a leader's role to be up to date. While truly great leaders are probably born, not made, many good qualities can be embedded in one's makeup. Welch has gained an insight into leadership that very few alive today can match. This came about through his many roles, the courses he attended, the exposure to Peter Drucker's thinking (Welch said "The world knows he was the

greatest management thinker of the last century,") and the management training he personally delivered.

Welch is a beacon of practical learning, as he said in one interview, "when you are in the cut and thrust of running a business you will be basing your decisions on your experiences and gut feel, the models you learnt at business school will have no relevance."

Leadership Can Be Learned

While truly great leaders are probably born, not made, many good qualities can be embedded in one's makeup.

Shackleton trained himself from being an ordinary man to becoming an exceptional leader. He learned from prior mistakes, he was a student of other explorers' experiences, and his hero was the Norwegian, Roald Amundsen. He admired and sought to emulate the skill, preparation, and attention to detail displayed by Amundsen in the 1911 race to be the first to the South Pole.

Welch trained himself from being a scientist running a laboratory to becoming an exceptional leader. He learned from prior mistakes, he was a student of other GE leaders.

It is thus important for leaders to be carefully prepared for their role. Too often today a young, bright-eyed executive is thrust into a leadership role totally unprepared, the board mistakenly confusing technical competence with leadership and management acumen.

Learn About Winning Leadership from the Past Masters

It is important to study the great leaders of the past. I would recommend Shackleton, Welch (see Appendix 2), Lord Nelson as a starting point and I will provide you with an outline of their leadership traits in the accompanying electronic media.

Note

ⁱ Margot Morrell and Stephanie Capparell, "*Shackleton's Way: Leadership Lessons from the Great Antarctic Explorer*", Nicholas Brealey Publishing, 2003.

ⁱⁱ Tom Peters, "*Thriving on Chaos: Bold Leaders Gain Advantage*," *Leadership Excellence*, February 2010.

ⁱⁱⁱ Peter F Drucker "*The effective executive*" 2002, "*Managing in Turbulent Times*" 1993, "*Managing in a Time of Great Change*" 1995, "*Management Challenges for the 21st century*" 1999, "*Managing the nonprofit organization*" 1992

^{iv} Peter F Drucker "*Adventures of a Bystander*" John Wiley & Sons 1997

^v Jack Welch with Suzy Welch, "*Winning*" HarperBusiness April 2005.

^{vi} Elizabeth Haas Edersheim "*The definitive Drucker*" McGraw-Hill 2006

^{vii} Jim Collins "*How The Mighty Fall: And Why Some Companies Never Give In*". Jim Collins 2009

^{viii} John Kotter *Leading Change*, Harvard Business Review Press; 2012

^{ix} David Parmenter "*Finding your organisation's critical success factors*" Waymark 2011

^x Ibid.

^{xi} Phil Harkins and Phil Swift, *In Search of Leadership: How Great Leaders Answer the Question, "Why Lead?"* McGraw Hill, 2008.