

The
#1 Job
Of Every Successful
Leader....

Develop Other Leaders

Achievement is
85%
attitude.

Author Unkown

Awareness/Realism

- ➔ **An astonishing number of strategies fail because leaders don't make a realistic assessment of whether the organization can execute the plan.**
- ➔ **Too many leaders fool themselves into thinking their companies are well run.**
- ➔ **Too much emphasis on what some call high level strategy...and not enough on implementation.**

“Execution” – Larry Bossidy & Ram Charan

Characteristics of 70% of Senior Leaders

1. **Highly intelligent.**
2. **Bold.**
3. **Demanding.**
4. **Action oriented.**
5. **Independent.**
6. **Not happy unless they're the "top dogs."**
7. **Stressed when tough decisions not in their hands.**
8. **Being in charge is a thrill.**
9. **Fast thinking prevents them from listening.**
10. **Opinions about everything, believe opinions right.**
11. **Focus on flaws in others, see others as the road blocks.**
12. **Under pressure, becomes intimidating and abusive.**
13. **Unemotional and analytical, feelings keep from getting the job done.**
14. **Little or no curiosity about people.**
15. **Difficult to seek help or learn from others.**

Cult or Culture?

Adapted from the Leader to Leader article, "Leadership Cults or Cultures" - #28 Spring 2003 – Anne Deering, Robert Dilts, & Julian Russell

• Cult

- Powerful individual or small group-set direction and make decisions
- Organization acts out of fear
- Information often not shared
- Organization afraid to speak openly
- Mistakes recognized but not passed upward
- Communication is a one way rhetoric flow
- Success attributed to the "few"
- Inequality in people
- Control, permission must be granted
- Data based logic
- Illusions of greatness

• Culture

- Ideas from many cultivated by leaders
- Organization acts out of knowledge and alignment
- Knowledge deep in the organization
- Organization values ideas
- Understand that mistakes must happen to advance
- Primary communication is one on one interchange
- Success credited to "all"
- Everyone is of equal value
- Freedom, authority is delegated
- Emotions engaged
- True awareness

Amid All The Evidence...

That Our World Is Radically Changing, We Retreat To What Has Worked In The Past. These Days, Leaders Respond To Increasing Uncertainty By Defaulting To Command And Control. Power Has Been Taken Back To The Top Of Most Corporations, Governments, And Organization, And Workers Have Been Consigned To Routine, Exhaustive Work!

Margaret Wheatley – “Finding The Way”

Engaging Human Capital is a Great Business Decision!

Companies Utilizing the Listed Actions Outperform Those Who Do Not!

Contented Employees	3X 3X	Revenue Profits
Culture and Strategy Alignment	4X 12X 100X	Revenue Growth Stock Value Net Income Growth
Involvement	3X	ROE (21%vs. 6%)
Engaged Workplaces	+38% +27%	Productivity Profitability
Improved Employee Satisfaction (15%)	+40%	Financial Improvement

Research References:

Denison Consulting, Gallup Organization, John P. Kotter & James L. Heskett, David Maister, Bill Catlette & Richard Hadden

Every Great Society... combines a superior educational infrastructure, a strong defense, an increasingly competitive economy, and an effective governing system.

As a productive citizen of such a society, you have an ***Awesome Responsibility*** to the success of this society.

Business leaders must consider, not only do they have a responsibility to their personal well being, their company's profits, and their shareholder's returns but they share an

Awesome Responsibility

to strengthen the economy of their society...

Great Businesses are the engines of ***Great Economies!***

Executive Characteristics

Seven Habits of Spectacularly Unsuccessful Executives...

Sydney Finkelstein – “Fast Company” July 2003

- See themselves and their companies as dominating their environment.
- Believe their interests are the company’s interests.
- Think they have all the answers.
- Eliminate anyone who is not behind them 100%
- Obsessed with the limelight.
- Underestimate obstacles.
- Rely on what worked in the past.

Characteristics of “Good to Great Leaders” — “Good to Great”...

Jim Collins

- Place company before self.
- Get right people on board, who possess “Good to Great” qualities.
- Confronts honest truth about capabilities.
- Unrelenting focus on core competency/strengths.
- Culture of execution.
- Technology as an accelerator.
- Gathering momentum vs. short term spinning.

When people are having ***FUN***, they

Create More and ***See Other***

Options. The perceptual world

broadens, and people begin to ***Listen***

Differently and hear others.

Anne Bryan Smollin

The most effective form of leadership is grassroots leadership: the companies with the most **confident and committed leaders, deepest in the ranks, are the companies that **win.****

“Is Your Company Up To Speed? –
Fast Company – June 2003

How Do You Create Energy?

Management

- **Negative Energy**
 - Intimidation
 - Fear
 - Confrontation
 - Control

Short Term – Temporary - Reinforce

Leadership

- **Positive Energy**
 - Learning
 - Creativity
 - Ideas Encouraged
 - Fun
 - Acknowledgement

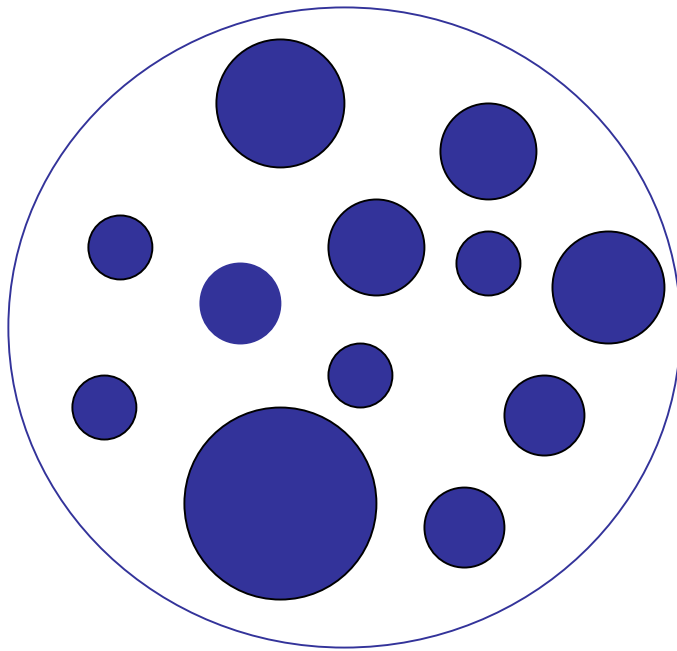
Long term – Permanent

**In the absence of true reality,
decisions only have *a random
probability of being right.*
Without true reality, in a rapidly
changing global market, it is
only a matter of time until
*a critical mistake is made.***

And here in lies the heart of the ***Leadership Dilemma***. You can do all you want to identify and develop the skills necessary for good leadership. But if the company ***Culture Does Not Support*** good leadership ***It Ain't Going to Happen.***

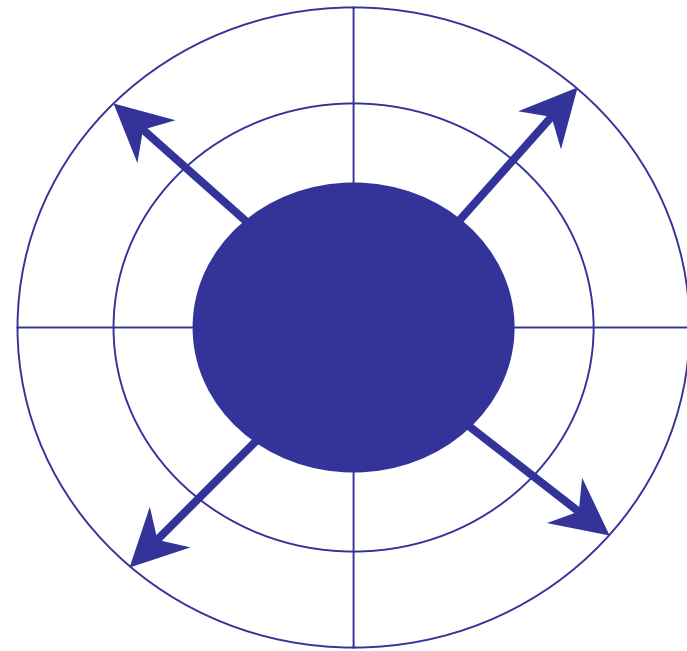
David Dotich

Organizational Capability Development



Individual Focus

(Leaves Performance Gaps)



Organizational Focus

Organization Beliefs/Design

Adapted From – “Finding the Way” – Margaret Wheatley

Machine (>90%)

- Interaction – Defined By Org Chart
- Intellect Focused – Leaders Feel Need “TO DO” – Solutions At The Top – Complex Processes
- Defined Directives – Little Thought Required – Repetitive Functions – Machines Have No Intelligence
- Conformity, Control, Coercion
- Information – Source Of Power
- Top Driven Change By Imposition/ Incentives

Living (<10%)

- Interaction – Relationships Across All Levels
- Strength “To Do Throughout – Constant Sharing/Learning From Each Other – Find Those Who Can Solve Challenges – Simplicity
- Purpose Clarity – Freedom To Create – Local Solutions
- Desire To Contribute, Creativity, Commitment
- Information – Everyone
- Change By Desire To Make Better

Reasons... Off Track!

- ⇒ **50% of time wasted...mistrust** - *Robert Cooper*
- ⇒ **90% adults...do not think corporations can be trusted to look out for the interest of their employees** - *USA Today/CNN/Gallup*
- ⇒ **40% of employees...think executives looking out for themselves** – *USA Today/CNN/Gallup*
- ⇒ **50% time spent...Urgent not important activities** – *Steven Covey*
- ⇒ **74% of employees... not actively engaged** – *The Gallup Organization*
- ⇒ **49% of employees... believe told truth** – *Towers Perin*
- ⇒ **42% of employees... do not understand business strategy...**

Harris Interactive

Reasons... Off Track!

- ⇒ **63% of employees expect... not to be treated fairly.** *Peter D. Hart and Associates*
- ⇒ **67% of all promotions... wrong.** *Peter Drucker*
- ⇒ **<20%... IQ% of predicting leadership success.** *Daniel Goleman*
- ⇒ **50% higher growth than industry average... when “100 ‘best’ companies to work for” ... characteristics found.** *William Miller*
- ⇒ **92% of work... not valued by customer.** *Thor Dahl*
- ⇒ **93% admitted... lying regularly & habitually in the workplace...survey of 40,000 Americans.** *Fast Company – August 1998*

Reasons... Off Track!

- ⇒ **Survey 1000 business people...83% confident/very confident of ability to make right decision.** *Steve Smith Steve Marcum Business Week 9/9/2003 - 19 year study...53% of all decisions fail. Paul Nutt...Ohio State University*
- ⇒ **90% of managers rated their communication skills in top 10%...obviously 80% are wrong.** *Cotrell & Hoover*
- ⇒ **53% of people would misrepresent financial numbers if requested to do so by a superior.** - *David Batestone*
- ⇒ **75% of 2100 college students admit to cheating at least once.** *Teaching the Wrong Lesson – Jeffrey Pfeffer – Business 2.0 - Nov. 2003*
- ⇒ **76 % of workers reported observing illegal or unethical behavior in the last year...17% observed senior management engaging in theft or embezzlement.** *2000 - KPMG,LLP Survey*

“The key to success is to get out in the store and ***Listen*** to what associates have to say. It’s terribly important for everyone to get involved. Our ***Best Ideas*** come from clerks and stock-boys!”

Sam Walton

Signs of Impending Organizational Death

Someone else is responsible for improvement!

Employees just want to do their job and go home!

Culture of blame.

Task focus.

Mistrust.

Used to be better.

Problems created by someone else.

Too busy!

As a leader, you have the task of engaging the hearts of those you serve and aligning their interests with the interests of the organization you lead. Engaging the hearts of others requires a sense of purpose and an understanding of where you're going. When you find that special alignment, you and your team will have the power to move mountains. Nothing will be able to stand in your way.

Bill George "Authentic Leadership"
Jossey-Bass 2003

**Strategy Development is Hard, but
Strategy Implementation is Even
Harder...This is Because *Leaders*
Do Not Know How... They are
More Knowledgeable and Confident
About Spending Money, Cutting Costs,
Adding Technology, Bringing Out a New
Product Line, etc.**

“The Talent Solution” by Edward L. Gubman

For organizations to sustain they must *stretch*. Stretching without adequate resources causes *stress*. Providing resources without stretch leads to *comfort*. Neither stress or comfort creates *sustainability*.

The Tension of Our Times

We Want Our Organization To Be

**Adaptive, Flexible, Self-Renewing, Resilient,
Learning, Intelligent**

Attributes Found in Living Systems

**But We Only Know How to Treat Them Like
Machines.**

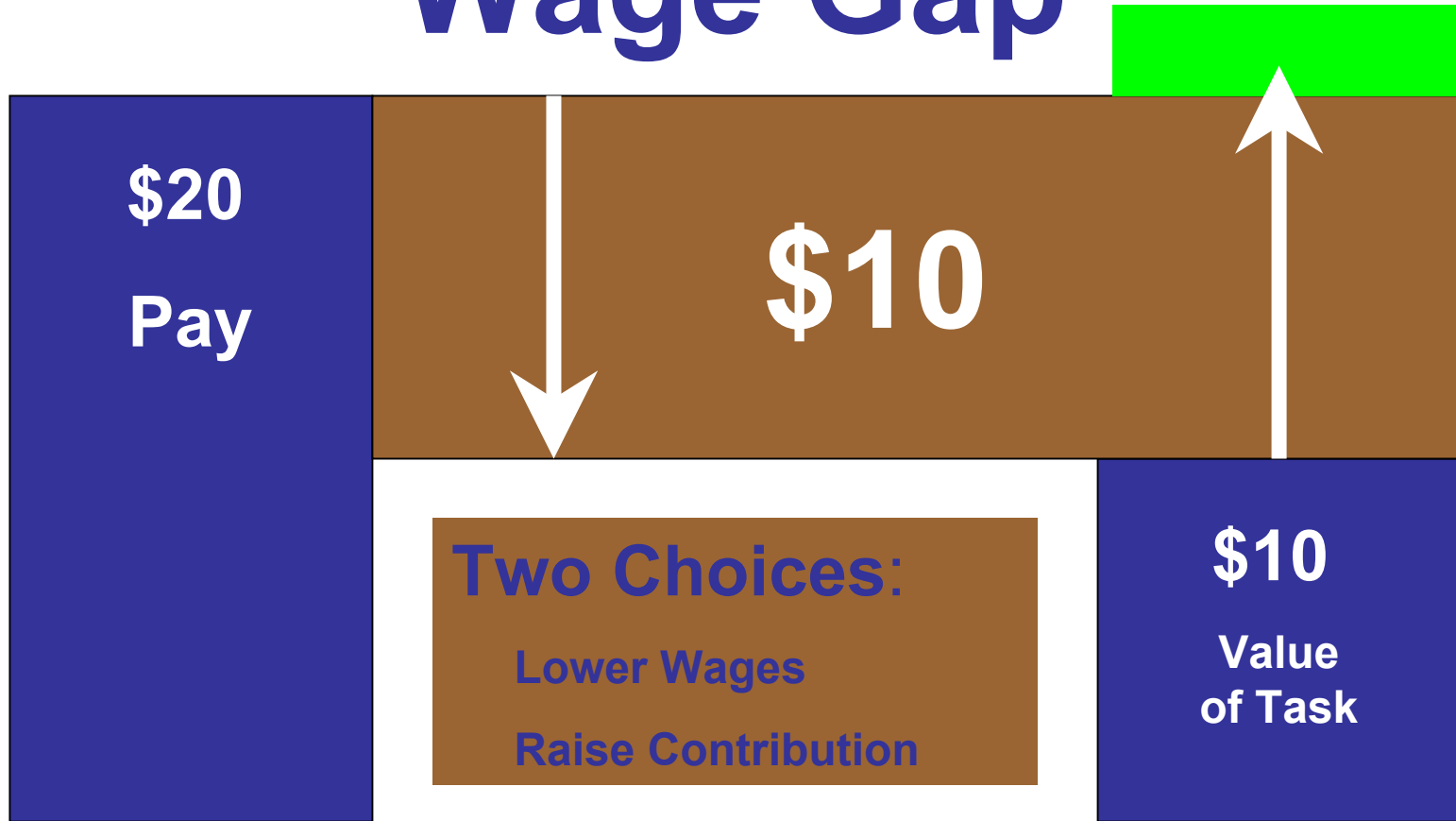
Margaret Wheatley – “Finding The Way”

What separates those who ***achieve***
from those who do not, is directly
proportional to their ***ability to***
ask for help... vulnerability is
not a sign of weakness, it is a sign of
wisdom.

Donald Keough
President of Coca Cola
DVD "The Journey"

Enjoying chaos stems from one of two fundamental points of view. 1) Those who look for new *opportunities* & 2) those who use chaos to *hide*.

“Wage Gap”



Engage Knowledge Not Just Complete the Task

**After An Extensive 3 Year
Study Of The Variables Of
Leadership...The Only
Statistically Significant Factor
Differentiating The Very Best
From The Mediocre Is...**

Caring About People!

“The Other 90%” by Robert K. Cooper

What Grade Would You Give?

- **70% of strategies... *never fully implemented.***
Prospectus Strategy Consultants
- **70% of change efforts ...*fail.***
Michael Beer & Nitin Nohria
- **83% of mergers and acquisitions...do not add market value...
*53% actually lose market value.***
KPMG
- **More shareholder value...lost 1999 to 2003... *due to
mismanagement and bad execution... than all the scandals.***
Booz-Allen-Hamilton
- **91% do not sustain... *5.5% profit or revenue growth.***
Chris Zook
- **75% lower profit %... *than in 1951.***
"The Economist"

What Motivates Employees?

**Separate Studies... 1946, 1981, & 1995 ...
Slow Learners!**

- 1) Interesting Work**
- 2) Appreciation Of Work They've Done**
- 3) A Feeling Of Being In The Know**

“Regenerating The Spirit” by Barbara A.
Glanz, Innovative Leader