

LEADERSHIP Excellence

Warren Bennis



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

JULY 2010



**Little Big
Things**

**Ask Seven
Questions**

**World's
Best CEOs
Key Characteristics**

Robert Rosen
Leadership Consultant



"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

www.LeadershipExcellence.com

LEADERSHIP Excellence

Warren Bennis



THE MAGAZINE OF LEADERSHIP DEVELOPMENT, MANAGERIAL EFFECTIVENESS, AND ORGANIZATIONAL PRODUCTIVITY
VOL. 27 NO. 7 JULY 2010



Fleeting Sun

At the end of the day, leaders tend to become pensive, reflecting on events, wondering how, even in an abundant ecosystem, to scratch out a living and provide for office mates and offspring.

<p>DAVE AND WENDY ULRICH <i>Ask Seven Questions</i> Replace deficit with abundance thinking. 3</p>	<p>These little things can make a big difference 7</p>	<p>JOHN HAGEL III, JOHN SEELY BROWN, AND LANG DAVISON <i>Leadership Ecosystem</i> Construct effective social networks 12</p>	<p>Avoid costly discrimination or harassment suits 15</p>
<p>DAVID WITT <i>Respect and Trust</i> Create a culture of accountability. 4</p>	<p>MARSHALL GOLDSMITH AND PATRICIA WHEELER <i>Change You or It</i> Use a little Zen to develop leadership Mojo. 8</p>	<p>CRAIG PERRIN <i>Remodeling Leaders</i> Develop capability in six zones. 13</p>	<p>ROBERT ROSEN <i>World's Best CEOs</i> . . . 16</p>
<p>JEANNE C. MEISTER AND KARIE WILLYERD <i>Leadership 2020</i> You need to develop five key skills. 5</p>	<p>MARK DAVID JONES AND J. JEFF KOBER <i>Lead With Customers</i> Align your culture with your brand promise. 9</p>	<p>PATRICK LENCIONI <i>Discipline or Spontaneity?</i> The answer for leaders is both/and 14</p>	<p>KEVIN D. WILDE <i>Lead Across Boundaries</i> Create more cross-functional teamwork. . . . 17</p>
<p>STACEY PHILPOT <i>Whole Leadership</i> Use your head, heart, and guts as needed 6</p>	<p>TERRY R. BACON <i>Leadership 101: Fit or Fail</i> What is your prevailing leadership paradigm? . . 10</p>	<p>HARVEY MACKAY <i>Uncommon Leadership</i> Develop these leadership traits. 14</p>	<p>ANDREW BLUM <i>Personal Strategy</i>. . . . 18</p>
<p>TOM PETERS <i>Little Big Things</i></p>	<p>MARGARET WHEATLEY <i>Perseverance</i> It is now a life- and company-saving skill. . . 11</p>	<p>CONNIE GLASER <i>Gender Talks</i></p>	<p>PAMELA SHOCKLEY-ZALABAK, SHERWYN MORREALE, AND MICHAEL Z. HACKMAN <i>Build High Trust</i> 19</p> <p>JACK ZENGER, JOE FOLKMAN, AND KATHLEEN STINNETT <i>Coaching Excellence</i> . . 20</p>

World's Best CEOs

What makes them so great?



by Robert Rosen

NOT ALL CEOs ARE created equal. Some are better leaders, superior stewards, and more respected role models. They drive their companies to success while other CEOs drive their companies into the ground. We hear about some of the worst CEOs—those whose greed or reckless behavior contribute to the economic crisis and erode public trust. But what do the best leaders have in common?

We've interviewed 300 CEOs and top executives in 40 countries over the past two decades to identify the key characteristics of the best leaders. Recently we revisited these interviews to identify the most relevant attributes. We looked at CEOs from companies with strong track records, high *Fortune* rankings, demonstrable growth, and inclusion in *most admired* lists—both during and after the CEO's tenure. Our findings reveal why some leaders shed light while others cast shadows.

Five Key Characteristics

The best CEOs share five attributes:

1. They are genuine. Warm and engaging, they're open about themselves and the business. They are forthright in assessing their strengths and shortcomings as individuals and leaders. They ask tough questions, listen deeply, discuss personal values, and admit they do not have all the answers. Their *authenticity*—apparent to all around them—fosters trust. When people know they can rely on their leaders to tell the truth, and can depend on their leaders to be transparent, they are more willing to be themselves, take risks, and stretch to their full potential. Clearly comfortable in their own skin, great CEOs are also interested in others, the first to acknowledge an employee's accomplishment, celebrate a team's success, and give credit where it is due. *Their caring, heartfelt acknowledgement fosters self-worth in people around them.*

2. They are comfortable with uncertainty. They understand the constant flux inherent in their job and business. They know that what worked yester-

day won't necessarily work tomorrow. Change brings opportunity. Uncertainty fuels the fires of creativity. *By expecting the unexpected, keeping an open mind, making learning a top priority, and detaching themselves from the status quo, these leaders turn the anxiety that accompanies change into productive energy for moving forward.* By understanding themselves, knowing what they can and can't control, and demonstrating compassion for what people are feeling, they create an adaptive culture—where resilience rules and balance reigns.

Great leaders are masters of balance. They live and lead in paradox, demonstrating seemingly opposing characteristics simultaneously. They're optimistic about possibilities while being realistic about what might actually work. They



impatiently push people to stretch beyond their current capabilities while creating a supportive work environment. They exude confidence while remaining humble enough to listen to, and learn from, others. By maintaining equilibrium, they generate the energy and focus to meet challenges and maximize growth and performance.

3. They are intensely focused on the human side of business. Great CEOs see people as the primary driver of the company's success—the heart and soul of the business. They believe in investing in people first, and see finances as the business's scorecard. By starting with *the human agenda*, and surrounding themselves with a mature, healthy executive team, these leaders set the stage for executing other agendas more effectively. Getting the people part right enables them to keep the business running smoothly, including R&D, knowledge development, manufacturing, and supply chain. Successful

operations, in turn, drive the ability to gain and retain customers, take products to market, and outperform the competition. And winning in the marketplace enables the company to access capital, generate cash flow and profits, and attain a reputable ROI.

The best CEOs view *the human agenda* as the leading indicator of their success. Acting on it requires that they rethink their priorities, recommit to company values, and rebuild the bond with employees that has been damaged by the highly publicized actions of a few CEOs. Only when these factors are addressed can companies hope to restore employee and consumer loyalty.

4. They are committed to growth. Top CEOs have a clear philosophy and model for growth. They understand their roles, and are keenly aware of what's worked in the past and what's needed in the future. Seeing themselves as *Chief Growth Officers*, they focus people's time and attention on the future, even as they speak candidly about issues at hand. They challenge the company to grow faster, and use a disciplined process to find and unleash other growth leaders. They encourage potential growth leaders to experiment, take bold steps, move fast, deepen relationships with customers, advance the company's value proposition, and build a sustainable growth culture.

5. They are obsessed with execution. The world's best leaders have a passionate desire to succeed and a plan to motivate, involve, align, and focus their people. They exude enthusiasm and confidence. Adept at creating the conditions that lead to commitment, clarity, and results, these leaders instill in people a keen desire to keep their agreements, fulfill their obligations, and produce quality products and services—day after day, year after year. Yet, great CEOs keep raising the bar. To engage all employees, they push decision-making authority down and empower people to think and act as if they were their own CEO. They ensure accountability—the bedrock of business performance—is clear and actionable. These measures enable them to manage risks and costs, and unleash revenues to maximize value creation.

Developing or strengthening these attributes is essential for leaders who seek to re-establish their covenant with a community of constituents. **LE**

Robert Rosen is the founder and CEO of Healthy Companies Intl., a management consulting and research firm dedicated to driving the CEO agenda. Visit www.healthycompanies.com. or email bob.rosen@healthycompanies.com.

ACTION: Learn from the best CEOs.