Trends Affecting How Leaders Lead

I'm delighted to be here in Zimbabwe even though you are experiencing turbulent times. As I was preparing to come, many of my friends sent me articles from the Internet about Zimbabwe. So I now have an impressive catalogue of information of what has happened here, reportedly happened, what somebody said happened, or somebody said was going to happen. I read them all and still decided to come.

There was never a doubt in my mind that I would come. We live in perilous times no matter where we live. In March I was in South Africa and I was on my way home. In the Johannesburg airport, I ran into some friends from South Africa and Zimbabwe. They told me how terrible it was to hear about the shootings that took place in Pittsburgh, my home in the United States. But I had not heard the news.

It turned out that directly across the street from where I work a man decided to go on a shooting spree. Before he was finished, he killed his neighbor, walked past our office building down the street, and shot several more people. Before he was done he killed five people. And that happened right in my own neighborhood. It's not the best of neighborhoods but it is not a place where that you would expect to have five people killed.

Two months later, I was in London and a friend from Zimbabwe said to me that he felt terrible about the shooting. I agreed and began to talk about it. I was talking about it in the past tense; then my friend explained that it happened again just yesterday. It turned out that a second man went on a shooting rampage in Pittsburgh, killing five people as he drove around the city. In my own city in a span of ten weeks, gunmen had killed ten people. So why would I be afraid to go to Zimbabwe?

There is an element of danger no matter where you live. These are perilous times but these are exciting times. And I know some of you are probably in situations where you may be just hanging on, or have a lot of questions. I can only encourage you that this is not the time to abandon your plan or vision. I can't guarantee you will succeed, but you won't succeed if you don't do everything you can to hold on during these troubled times.

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Our team is here to learn as well as teach. In fact, someone once said that we teach so we can hear what we think. We teach so we can clarify what we believe and why. We are not here as experts on your culture or politics. We are not even here as experts on what we are talking about. We are all learning and exploring. In the past year since I have been here, we've had to adapt and adjust to changing political and economic situations. We've had some exciting and not-so-exciting things happen in our own businesses.

I have come to realize that we must embrace change if we are going to stay in business, period! For instance, in my organization I've had six job titles in the last four years. I've often wondered when we are going to finally get this thing right! After the first two or three title changes, I thought maybe we were just being inconsistent, but we were not. We are responding to the needs of the day.

Change is happening so fast that in my desire to face reality in our organization, we are forced to assess every six months where we are, what is happening and what is going on. That shouldn't surprise us. On the first manned trip to the moon, the astronauts made a course adjustment every ten or fifteen seconds. You **don't** want to miss the moon if that's where you're going. Course adjustments are a way of life and not something we do because we have nothing better going on. That is all the more reason why we need to be certain of why we are in business, what our core values are and why everyone is doing what they are doing.

I want to talk to you today about some trends I see in the business world that are affecting how leaders lead. I am seeing these more than ever. Let's take a look at four key trends that will give us a new look at business leadership.

1. The issue is *people* not *technology.*

As much technology as we have, and as much change that is coming our way, this is **not** the most change historically that has happened in society. The Industrial Revolution was much more traumatic and dramatic in its scope and impact. The introduction of the telephone revolutionized life much more than the Internet has today. I'm not saying that the Internet is insignificant but we tend to focus on technology as the most important business issue today. It is not.

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Most of us are in the people business no matter what our core competency or products are. We need the people we have to carry the business that we are in because they usually have the specific knowledge that we don't. Without the computer expert's knowledge, the computer would be useless to most of us. So the main issue isn't really the computer, but the person who has the knowledge to make the computer work for our situation.

As good business people, we tend to focus on the spreadsheet and the bottom line. Shareholder value is more critical than ever if we work in publicly-held companies. But we are in people business, even if we are in the technology business.

In light of this, as leaders we need to adjust our focus to not only develop the business but also the people doing the business. This is a critical issue. The cost of training someone and then losing someone is just too high in today's labor market to lose anyone needlessly. As leaders we have been trained in the skills of the discipline we are in such as manufacturing, technology, or some service. All too often, however, we have not been trained in the people skills that we need. And that is the essence of twenty-first century leadership. It is not just being friendly with the people or being polite; it is being aware of who people are and who they are not.

Consequently, I want and need to know as much about the people I am working with as possible. Are they detail- or people-oriented? Do they like multiple or single projects to work on? Do they need personal freedom to work at home or a social environment where they can touch other people? All this information is critical because I am in the people business, whether I like it or not. I must know what motivates or de-motivates each worker and team member. I need all this because no matter what business I think I'm in, as a leader I'm really in the people business, whether I like it or not. That is why when we were here last year we got involved with the DISC profile. We should begin to understand better who we are, how we operate.

2. People have options.

People have more job options today than they've ever had. Peter Drucker has gone so far as to say that all employees must be treated as volunteers, even if they are receiving a salary for services rendered. He makes the point that they are with us

voluntarily, because they want to be. It may be a little different in the United States than it is here. But don't think you are immune to this trend for very long, if at all.

Even one of our program speakers immigrated just before the conference started! Last year she said she wanted to be a speaker. We agreed to that but then she decided to go to New Zealand due to your political unrest. She had options! That option has always been there but it's easier to exercise today. Usually you would have to go on a ship to a foreign country. Today you simply have to go on a plane to get there.   People have options.

They are *choosing* to work for you as opposed to *having* to work for you. Then they will choose to leave you if they do not like the environment. If they have computer skills, if they have marketing skills, if they have graphic design skills, someone will take them. When they leave, they take their knowledge, their skills with them. If they were in the sports industry, they would be considered free agents. Employees now can make their own deals. Many people have started Internet businesses right in their own homes, working from their own bedrooms.

I recently saw a funny cartoon of a man who was not properly dressed, come out of his office area, which was in his home. He had his underclothes on and he had a cup of coffee in his hand and he was standing in front of his computer. His boss's voice came from the computer saying, "We have moved the video conference up an hour!" He looked bad and he wasn't ready, but he was in his home, dressed like you dress when you're not expecting any company!

Today, people can work that way if they so choose and have the skills! That means that you and I, as business leaders, have to approach work differently. We can't be locked into a certain way of doing things or insist that everyone work the way we want them to work. If people can get the job done from home, then we may need to let them in order to maintain their services. You as a leader may feel like you are held hostage by your worker's freedom and needs. And you're right. But what choice do you have but to recognize that people have options and they will exercise them if they become unhappy.

3. People must be led, not managed

You can think that people are happy when they are well managed, but that is not always the case. Peter Drucker says that you can manage things but not people. When

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you work with people, you must work to make them effective, not efficient. The more polite your culture is, the less people will tell you how unhappy they are to be managed. If they feel that their options are limited, they may not tell you to keep their job. But the unhappiness at being managed and not led is in them.

Unhappy people will do unhappy things. They may try to make you unhappy with them, thus sabotaging entire departments or projects. At best they will eventually leave you and at worst they will take some of your business with them when they go. So we as leaders cannot manage people like we manage software or projects. People have different needs and motivations. The challenge is to lead people who are both employees and volunteers in your company. More on how to lead people later.

4. You must develop people, even if you lose them.

If we are in the people business (and we are), then we must make it our aim and objective to develop the people we have. For instance, I have had the policy in my company that *anyone* who goes for training related to their current position or a position that could be theirs in the future, receives 50% of their tuition cost from the company. That is what we do and that is what we need to do, because we need to develop people. In fact I almost *insist* that my team members go to at least one conference every year that pertains to their area of expertise. We try to cover that expense fully because we must develop people.

We have to know where our people are in their profession and what is important to them; we need to be involved in their development. There is a risk in doing this; there is no doubt about that. You may invest in developing someone and when they get to the point of productivity they may say, "I'm out of here." They may start their own company or join your competitor. That is the risk you take.

But the other risk is that you will have people working for you who do not keep up with what they should be keeping up with and this will hurt your business even more in the long run. And you cannot be in a position to control people by keeping them less skilled than they could be. It just does not work in today's labor market. I see managers and leaders who do this all the time, like farmers who work the soil until it is depleted of all nutrients and health. Too often the mentality is: "Leadership goes to get the training but the worker ants don't. Just do your job; you know we can't afford to let you go."

We must broaden our perspective. People may smile at you and say "Yes, ma'am." Then one day they disappear. And it costs you more than you may realize when that happens.

So what are companies and leaders doing to address these four people or employee trends. I see another set of three trends among leaders who are facing and addressing the realities of these subtle shifts. These practices are distinguishing what I call the new business leaders from their predecessors.

1. Servant Leadership

We talk about developing people, having their best interests at heart, and investing in their development. All those practices are really in the best interest of the business. To accomplish those things, we must look at the concept of Servant Leadership. You would perhaps expect to find that term in a church or religious context. But that is not the case. Every place I go today that discusses leadership training, I find people talking about leaders becoming servants of people and the company's vision. It's a new mindset.

It's amazing what a mindset change can do. Steven Covey popularized a phrase that he did not invent called "The Paradigm Shift." This is a different model for business leaders and their day-to-day operations. It is also a radical departure from how leaders have seen themselves and other people. We are servants of the people who are working for us, servants of the customers who receive our goods or services, servants of the shareholders who have invested in our corporations.

Robert Greenleaf wrote a series of essays, entitled, *Servant Leadership, a Journey into the Nature of Legitimate Power and Greatness.* Robert Greenleaf was a Quaker. After college, he chose to work for a major corporation. His stated purpose was to discover how large organizations got things done. He spent forty-one years with AT&T. At the end of his forty-one years, he started a consulting company of his own, working with secular and religious organizations until he passed away in 1991. Today the Greenleaf Center for Servant Leadership in Indianapolis, Indiana, USA is producing his books, essays and materials on servant leadership. Those books and ideas are having a greater impact today, almost ten years after his death than they did when he was alive.

Peter Senge, author of *The Fifth Discipline,* says that the first book one should read in leadership and management is Robert Greenleaf's book, *The Power of Servant Leadership*. Anything you can find by Robert Greenleaf will challenge and expand you. Greenleaf said that, "The servant leader is servant first. It begins with the natural feeling that one wants to serve. Then conscious choice brings one to aspire to lead." But in the context of leadership, he says, "the best test is, do those served grow as persons?"

I sometimes feel that I don't have time to grow people. I have customers, their complaints and new product development. But I have to remind myself that I am in the people business. Another question that Greenleaf asked is "While being served do they [people] become healthier, wiser, freer, more autonomous, more likely themselves to become servants? And what is the affect on the least privileged in society? Will they benefit or at least not be served as deprived."

What does this have to do with business? I don't care how my leadership impacts society in general. Think about it if that is your attitude. If the fabric of society starts to unravel, doesn't that negatively impact your business? Of course it does. So you do have a responsibility not just to keep the business healthy, but also to see if you can contribute to the overall health of the individuals who are members of that society. Ultimately it is in your best interest to do so.

One of my favorite books on leadership is Max Dupree's, *Leadership is an Art.* Max Dupree was the chairman and CEO of the Herman Miller Company, a designer and manufacturer of office furniture. In that book, he wrote, "The first responsibility of a leader is to define reality."   This means that leaders define what business their company is in. The leader states, "This is what we are going to do." You cannot do this by committee. Employees cannot tell you what business you are going to be in. You define that reality for them along with the financial parameters and business objectives. Depree's last responsibility, to say "thank you," can the most difficult. You may feel that you are giving someone a paycheck. That should be thanks enough.

But when you say "thank you," it says a lot about your attitude toward employees and the business in general. If it's yours and you feel that the people owe you, you don't say thank you. Their wages are thanks enough. It takes time and special effort to say

thank you. "And in between the two, the leader must become a servant and a debtor." Even for Max Depree, service is a significant role for a leader to play.

I mentioned in my biographical sketch that I traveled the world with a music company and music teams putting on conferences and seminars and concerts. And I was the Chief Executive Officer. So I defined reality. I said we are going to Malaysia for two weeks at these three venues, we are going to take these musicians, this is our budget and this is where we are going to stay.

On the last night of the two weeks, I went up on the stage to see each musician. I had their paychecks prepared before I left my office in the U.S., having brought them with me. I personally handed them to each musician and I looked them in the eye and said, "We could not have done this without you. Thank you very much for what you have done."

And everywhere in between the time we got there and the time we left, I was a servant. I picked up and delivered people to the airport. I went and got water. I made sure I ran interference to make sure that the musicians work, their life's work, was presented on stage in the best light and audio possible.

When I first started, the musicians were a bit wary of me because I wore a suit. In fact some called me "The Suit." I was the bean counter in their mind, the mean guy who was going to come up and tell them to stop singing, stop playing, or tell them that I didn't like their chord progressions. After four years, I had many resumes and applications from musicians who were waiting for the opportunity to travel with our team. Why? Because they saw that the administrative could mesh with the creative and I tried to follow that rule. I defined reality, I said "thank you" and everything in between was not about me, it was about them. And I put them in a place where they could shine, where they could do their best.

When you are a servant leader, the goal is to influence people, not control them. You want to get to the place where the people you are working with take ownership in the decision in such a way that they rule themselves. You have influenced them, but then you don't stand over them.

Someone once said that leadership authority is like a bar of soap: The more you use it, the less you have. If that's true, then some leaders are almost washed up. Their

bar is down to almost nothing. "Go here," "Do this," "Do that!" For a while that attitude can be exhilarating for a leader; it feels so good. But in the long run, it doesn't work. If nothing else, even if the people stay, you lose the creativity that is in them because they are afraid to speak. And you never know who has the idea.

We were involved in a big musical production in the company I worked with in Pittsburgh. I had a team planning session and our finance director was there. We were talking about non-financial matters. She came to me afterwards and said, "You know, while you were talking about the public billboards, I thought that the best way to handle that would be through our website." This was a simple but great idea. And no one in the meeting thought of it.

Because the finance director was there and felt free enough to share that idea with me, our company was made a little bit better, a little more competitive and efficient. I want to hear what everyone has to say, even the maintenance workers on staff. And I do not want to put them in a box by saying, "No, you cannot help me."

If a leader is serious about influence instead of control, then persuasion is a necessary skill. We will talk about this is depth later in another workshop. Any leader can order someone to do something, but the same leader can't order someone to change. That can only be done by the person doing the changing.

I find it surprising that recently I have met so many people from the U.S. military at leadership conferences. You may be wondering what they are doing there, especially at conferences that talk about servant leadership. Even the U.S. Army, which has a very authoritarian structure, realizes how difficult it is to recruit good people. Soldiers still salute and say, "Yes sir" and "No sir." But their leaders are learning to influence through service and to grow better soldiers and future leaders.

How often we as leaders and leadership teams agonize over a decision for months if need be. If necessary, we go through all the issues, come out and announce it to the staff; if they are not in agreement with it by next week, we think they have a bad attitude. We have worked through it in three to six months. People are no different than we are, even though we are leaders. For leaders, the human dynamics are the same no matter what level of a hierarchy we find people on.

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This leads us to another truth that modern leaders need to comprehend; that is that communication is the oil that lubricates any organization's wheels. I personally like open communication and an atmosphere where no question is out of bounds. I believe that even financial information should be shared with as many staff that need or would like to know. I would especially share that information so people could see how their performance impacts the bottom line.

The point here is better communication. Ask me questions. Make recommendations. Someone may suggest something that leadership never noticed. Let's work to get everyone on the same page whenever possible.

Sometimes people want to be told what to do. I try not to let them get away with that. I want their brains engaged and involved. In that way, I am strengthening the company by seeking after the very best in feedback and input. And I am serving people by helping them to think and grow where the business is concerned.

At this point, someone in the audience asked: "I had good people but I find that they are disappearing; some were dishonest and they have left. What can I do to correct this?"

My first response is that this is a systems problem, not a people problem. I would get into the system and ask questions about compensation, communication levels, and why suddenly good employees were not so good. I don't think people intentionally go to work to do wrong. That is why I want to look at the system to see if there is a systems problem. Maybe the compensation was adequate but not fair. That may or may not be the issue here. If I am to be a servant leader, I must believe the best about people and look at problems from a systems point of view.

Sometimes we need to bring in an outside pair of eyes to look at our operation objectively. Our company has an outsider visit on a regular basis. I serve as an "outsider" to other organizations, and I go in to challenge the leadership of those organizations. Sometimes people's titles don't match the function they are actually serving in the organization. Sometimes the people outgrow the job and they are bored; sometimes the job outgrows them and they're overwhelmed. I work to establish honest communication so we can face reality and work toward a solution together. Servant leaders are good at promoting communication.

2. Team Building

The issue of team building has been a hot topic of discussion in management circles lately and will continue to be a major issue for the foreseeable future. A team is not the answer for every thing. When you are in crisis and the ship is sinking, you don't need a team. You need a strong leader to say, "Let's stop the leak!" "Let's do this, let's do that." But you don't make it the standard operating procedure for the organization. Once the crisis has been averted, then you begin working on the concept of building a team. In his book, *Management Challenges for the Twenty-first Century*, Peter Drucker writes,

> One clear sign is that the growing disparity between our rhetoric and our practice. We talk incessantly about teams and every study comes to the conclusion that the top management job does indeed require a team. Yet we now practice and not only in American industry, the most extreme personality cult, of CEO supermen. And no one seems to pay the slightest attention in our present worship of these larger than life CEO's to the question of how and by what process they are to be succeeded. And yet succession has always been the ultimate test of any top management and the ultimate test of any institution.

Warren Bennis, author of *Co-Leader, the Power of Great Partnerships*, wrote,

> This book reflects our conviction that you must look beyond the Bill Gates of the world to understand what will make organizations succeed in the new millennium. In this first comprehensive study of co-leaders and their often-silent power, we challenge the time-honored notion that all great institutions are the length and shadow a great man or woman. It is a fallacy that dies hard. But if you believe as we do that the genius of our age is truly collaborative, you must abandon the notion that the credit for any significant achievement is solely attributable to the person at the top. We have long worshipped the imperial leader at the cost of ignoring the countless other contributors to any worthwhile enterprise. In our hearts, we know that the world is more complex than ever, and that we need teams of talent , leaders and co-leaders, working together to get important things done. The old corporate monotheism is finally giving way to a more realistic view that acknowledges leaders not as organizational gods but as the first among contributors. In this new view of the organization, co-leaders finally come into their own and begin to receive the credit they so richly deserve.

This essay is not about team building techniques, but I can ask you some questions to help you evaluate how open you are to a team approach to leadership.

1. Do you say "thank you?"

We discussed this earlier in this essay. If you think people owe you, you will not say thank you. You will not give them a bonus, nor will you honor them even in simple ways. How often I have seen leaders take the ideas of other people and pan them off as their own. That is anti-team. If you will not give credit, then you see yourself as the focus of the company, and you feel that everyone is there to feed you. That may work for a while, while things are good, but when things are bad, the people will leave. They will desert or turn on you. You'll find out then that they don't love you as much as you thought they did.

2. Do you listen to the people you work with?

As leaders, most of us have never been trained to listen. Instead, we have been trained to have all the answers (or act like we do). For a leader to say "I don't know" can be difficult. Often we try to bury people in words. Sometimes we have the right answer but try to control them with our "rightness," instead of influencing and persuading them. One of Steven Covey's habits is "Seek first to understand, then to be understood." For strong leaders, this is very difficult. Everything in us wants to give our case and give it now! But to not listen and respond from what's actually been said, is not an effective way to build a team.

People want to be listened to. They don't always want you to agree with them, but they do want to know that you have heard them.

Communication is the best expression of confidence and respect that you can find. People often ask me in my work setting, "What do want to be called?" I prefer to be called John, which is what my mother calls me. Doctor?   No. Call me John. Again, if we are serious about team, it will impact the way we communicate. For example, I'm not good about keeping a double set of books, telling one person below me on the organization chart one thing and telling the person above me something else. By telling everyone the truth, it communicates to the people working for me (who are really working for themselves; no one works for me), that I have confidence in them, will be vulnerable to them and am willing to provide information that they can even use to hurt me if they so choose. And people have done that on occasion.

But I won't change, because I've seen the benefits of being honest with people at every level of the company. Most importantly, I've seen people release their creativity

because they knew I trusted them. They knew I would reward them if it was in my power to do so. They knew I would at least recognize their contributions at some point.

3. <u>Do you know what your team members do?</u>

This question is related to question two, because it involves communication. If you know what your workers do and what it takes for them to get it done, then you are building a good team. It means that you've taken the time to find out and truly understand what your workers go through to get the job done.

Very often, we must rely on our workers to inform us what they must do to get accomplish what we are asking them to do. For instance, if I were working as project manager for a company that produced, let's say, computer software, I would have to listen to the developers who worked for me because I would have no idea what they had to do to get the project done. I would need to listen and then empower them to work efficiently. I would have to be a help and not a hindrance to their performance. My role would be to serve them in whatever way possible to get their knowledge out of their head and into getting the project done.

It isn't a sign of weakness that I don't know what my team members do. In this era of specialized knowledge workers, it's a management and leadership way of life. I must build and maintain trust among team members and trust that what they are telling me is true. I have to rely on them to educate me about how long it will take and how much is involved in finishing the task.

That is why performance reviews are so critical to either make or break team building. I must work with each team member to help set mutually agreed upon performance standards. In a sense, my workers are really evaluating themselves. I am keeping the project on course and making sure I know what obstacles exist to poor performance. In a sense, the employee is leading me, the leader.

<div align="center">3. A Teaching Organization</div>

Noel Tichy in *The Leadership Engine* wrote,

> Teaching is the heart of leading. In fact it is through teaching that leaders lead others. Leading is not dictating specific behavior. It is not issuing orders and commanding compliance. Leading is getting others to see a situation as it really

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is and to understand what responses need to be taken so that they will act in ways that will move the organization toward where it needs to be. Whether it is teaching something as simple as what concrete tasks need to take precedence over others this week, or something as complex as how to make good decisions, teaching is how ideas and values get transmitted. Therefore, in order to be a leader at any level of an organization, a person must be a teacher. Simply put, if you aren't teaching, you aren't leading.

Fifteen years ago, I put together something called the *Life is a Gold Mine* seminar. I began to teach whoever would listen in whatever setting I found myself. The emphasis of the seminar is to help people find their purpose, set goals, be better organized, and therefore achieve what is really important to them in life. Without knowing it, I was leading and helping to develop people and equip them for success. The seminar was helping me build a team and communicate.

Jack Welch, former CEO of General Electric renowned for his ability, spent thirty-three percent of his time teaching at the GE training center. He spent time teaching the GE way, what it was that the company was doing and why they were doing it. He led a multi-billion dollar corporation and spent that much time teaching

Peter Senge in *The Fifth Discipline,* discusses the learning organization and the necessity of teams coming together to grow and learn. Senge wrote,

> When personal mastery becomes a discipline—an activity we integrate into our lives—it embodies two underlying movements. The first is continually clarifying what is important to us. We often spend too much time coping with problems along our path that we forget why we are on that path in the first place. The result is that we only have a dim, or even inaccurate, view of what's really important to us. The second is continually learning how to see current reality more clearly. We've all known people entangled in counterproductive relationships, who remain stuck because they keep pretending everything is all right. Or we have been in business meetings where everyone says. "We're on course relative to our plan," yet an honest look at current reality would show otherwise. In moving toward a desired destination, it is vital to know where we are now.

So learning and teaching help to clarify your direction. They also help clarify your purpose and the essence of what you are all about. Finally, they will help learn you improve your people skills.

Teaching involves influence, persuasion, answering questions, acknowledging your vulnerability, making adjustments—all the things that we've talked about in this

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essay come together. The teaching organization is also consistent with the practice of servant leadership and team building.

I try to create and take advantage of what I call "teachable moments." These are times when the doors are open to people's minds and hearts. It's then that I talk about who we are, why we're doing what we're doing, and how we can do it better. I plan teachable moments well in advance to bring in teachers and trainers that will equip the team for success. I don't teach or instruct to hear myself talk and I include a lot of dialogue and question-and-answer sessions. I try not to pontificate to people, but do work with them in groups or one-on-one to impart necessary information or knowledge.

Is your company a teaching organization? Are you developing people in this modern world to succeed hopefully within your company, but if not, somewhere? Are you building teams that are a meaningful working experience that in turn can prolong the time a good worker is with your group? If you are to succeed in this new era, you must become a servant leader and at times work for and with your team members. If you will do these things, you will attract your share of talent with the knowledge necessary to help you and your company compete in this new world. If you don't, you may find yourself wishing for a return to the good old authoritarian days, days that are gone forever.