


# Empowerment, Vision, and Positive Leadership: An Interview With Alan Mulally, Former CEO, Boeing Commercial—Current CEO, Ford Motor Company

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## Abstract

In September 2006 Alan Mulally was named the President and CEO of Ford Motor Company, succeeding William Clay Ford, Jr. He took over "The Way Forward" restructuring plan at Ford to turn around its massive losses, declining market share and lead Ford to become the only U.S. automobile to avoid bankruptcy. At the time of this interview Mr. Mulally was finishing his tenure as the President and CEO of Boeing Commercial Airplanes, which is responsible for all of the company's commercial airplane programs and related services. In this interview Mulally discusses defining moments in his career, his leadership role models, business lessons he learned in becoming a corporate leader, the importance of long-term vision and creating meaningful work, having a positive outlook - and his views on the role of loving others and what one does in the workplace.

## Keywords

visionary leadership, positive psychology, modeling the way

## Introduction

Alan Mulally has been the chief executive of two Fortune 100 companies: Ford and Boeing Commercial. He has spent the bulk of his career at Boeing, working on the 727, 737, 747, 757, 767, and 777 airplanes. In September 2006, he left Boeing to become the President and CEO of Ford Motor Company, succeeding William Clay Ford, Jr. He took over the restructuring plan at Ford to turn around its massive losses and declining market share. Mulally revived the Ford Taurus and his cost-cutting led to the company's first profitable quarter in several years. At the time of this interview Mulally was finishing his tenure as the president and CEO of Boeing Commercial Airplanes. This interview, conducted in 2006, focuses on Mulally's reflections on his leadership style and the role of spirituality in his decision making. We think the insights gained from looking into Mulally's interpersonal style and leadership reflect how a leader of a large multinational company uses his "internal compass" to make external decisions to positively affect both people and profits. One of the authors conducted the interview, while the other codesigned the interview protocols and drew out the most important themes from the interview. For Mulally's performance at Boeing, *Aviation Week & Space Technology* named him as their Person of the Year for 2006.

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Kaipa/Kriger: Tell me what makes you come alive. What makes you who you are?

Mulally: I am not sure where I got this, but inside of me is this desire to contribute—not just to make a difference but to contribute to something that is really important. Everything I have done, I have always felt this need, this want, this excitement, to contribute. So whether it was a paper route or whether it was my lawn-mowing business, or helping colleagues in trouble when I was growing up, whether it was sports, or it was school, I have felt I have an opportunity to do more, to contribute more. I believe that one of the most important things about leadership is to focus on compelling things that benefit a lot of people (see Block, 1993, for a similar leadership philosophy).

Take airplanes, for example. My passion is that airplanes should get people together around the world to discover how different we are—and also how very much alike we are. When you look at anything that has a beautiful color, a different culture, or even differences between people, I see more of

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how we are alike. Because airplanes get people together, if you get a chance to know each other and work together then you find that we have more in common than not. When we discover what is common between us, then we can have peace and economic development possible. And that moves us up Maslow's hierarchy of needs. Everybody benefits when economic development takes place and entrepreneurship prospers. This happened when you came to the 777 project review meeting. For me, in everything I do, it's got to be the contribution, getting people together. It's got to be important. It's got to be meaningful. That is my first filter. If it was not associated with the possibility of getting people together in new ways then I never would have been interested (see Zander & Zander, 2000, for similar views on the art of seeing possibilities where others do not).

### *The Importance of Meaningful Work*

Kaipa/Kriger: Can you tell me something about your own journey—what are the significant events that shaped you?

Mulally: I was a liberal arts major when I was starting out in college. John F. Kennedy was on the TV one night, and he said that we were going to the moon. He announced that it was bigger than going to the moon. Nobody had gone to the moon and I became very excited. It was about searching for the meaning of the universe and the meaning of life and how creation happened. We were going to take one step toward one little world that is close. So he said we were going to take this first step. It was not about going to the moon, but it was about what we were going to learn about ourselves. It was about the boundaries that we were going to push. We were going to learn about technology. It's going to be large scale; it's going to take a lot of people's minds, and we were going to benefit. Society would benefit from reaching out for new knowledge. So in 1 month, I switched over from liberal arts to engineering. I wanted to be an astronaut because they wanted astronauts who were engineers. They said that we may need pilots, so I went out and got a pilot license and joined the Air Force.

I went from studying liberal arts to calculus, physics, chemistry, and quantum mechanics. It was all so different—I loved it all because it married liberal arts with the emerging global challenge and the efforts to go to the moon. I wanted to be an astronaut, but I found that I was colorblind and could not distinguish shades of gray. They were going to land on the moon, which has lots of gray colors. You would have to fly manually, so this might be an issue. I was in a state of despair.

I was in aeronautical engineering, and my thesis advisor was the head of aeronautics at Boeing. He said:

Alan, let me show you a different vision. Talented people at Boeing are making these planes, sophisticated

planes, that take people half-way around the world safely. You have talent. You could combine engineering with design and creativity. You like working with people and could really make a big contribution at Boeing.

It seemed very compelling—to go down that road. At Boeing I got a chance to travel and be in many countries. It helped my wish to be one with the world. I know this sounds corny but then all of a sudden it was—my gosh—it was holistic. It was one connected life now. I had all these pieces—airplane design, creativity, science, art, physics, people, all linking. I felt I was at home. We were all creating this together. We were often stressed out—but I felt at peace. I was in the middle of this, and, I said to myself, “If we get people focused, bring together customers, and viewpoints from around the world, then this will all be worth it.”

### *Creating an Ecosystem of Stakeholders*

Kaipa/Kriger: So you created a system of customers, employees, viewpoints?

Mulally: That is right. I felt we could solve anything. We created sophisticated airplanes.

Kaipa/Kriger: How did you arrive at this knowing about holistic living?

Mulally: When you grow up, you put yourself in these categories—work life, personal life, spiritual life, family life. All these things one could worship or become disciplined at. It is kind of like life becoming one's life's work.

(Alan then drew four interconnected circles with “family life,” “work life,” “spiritual life,” and “personal life” written within them. He then wrote in the middle, “To love and to be loved.”)

So I wanted to work with people on something that was really compelling. Then I would always have a plan. There would always be the feeling of inclusion. You appreciate each other in the customer process. You then could go around and enjoy the process. And then it all became an interconnected whole. I have only one schedule. I have five children and a wonderful wife. Somebody has a soccer game, somebody has a ballet, somebody has a class. So my calendar would have “787 design review” in the morning and next to it would be “middle school soccer” in the evening. I could never say, “Sunday 2 to 3 with the family,” because I had to be one step ahead of my calendar. At one point I was going to Japan, and my daughter asked, “Can I go with you?” So onto the plane she goes. It all became connected.

### *Creating Something Out of Nothing*

Talking about creativity, in engineering it's about creating something out of nothing and balancing many, many

objectives. That's why I tell my engineering friends that in our company we look like hunted animals. There are so many things that we agonize over and balance, but to stretch yourself, it goes back to the compelling goals that we each have. What was this 787 about? We need points around the world to be connected. So we are going to use the best of technology, the best of innovation, and build the best plane that goes to all those points and connect them. It is high pressure—but it is exhilarating.

The performance comes from these unbelievable stretch targets we have. We ask ourselves questions like "What can make the passenger feel better?" "What about more air in the cabin?" "What about a little humidity in an airplane that can go half way around the world nonstop?" "How can we do that?" We came up with new materials, new engines, new aeronautics.

I think it lies in wanting to contribute, and wanting to find something big and important to do, and then marrying all of this together. It's to be outside the box. It's OK to stretch and not quite make it. (See Csikszentmihalyi, 1990, for an explanation of the experience of "flow" that Mulally is implicitly describing in the preceding paragraph).

Kaipa/Kruger: What you are saying is that for you all of this is natural. I can feel that this is something of who you are. Fifteen years ago when I first met you I attended your project review meetings and you had the same quality and intensity.

Mulally: Have I changed?

Kaipa/Kruger: No.

Mulally: Well, that is the neatest thing. These principles that I worked with have gotten more institutionalized now, but I have never felt I was a limiter, but rather an expander.

Kaipa/Kruger: I remember when you were working on the design of the 777 communication between the pilots and the ground for the maiden flight of 777—it was transparent and open to the press.

Mulally: You know, there was a movie made about this by an independent producer for PBS. It has five 1-hour segments. It is the number one fundraiser for public television in the United States. It captured everything you are describing about being open. When they came to say that they want to make a movie on the making of the 777, everybody said that we cannot let them in the meetings and then let them show us arguing and debating. What if it broke? What if it didn't work? Well, if it didn't, then it didn't. The fact that the camera was on was actually a help because nobody was going to allow themselves look like an idiot on film and be seen not being nice to others. So when the camera was on, people were like, "Oh, yeah, please share that idea."

You have to feel comfortable enough that when your intentions are noble that you do not have ulterior motives. You feel yourself as trustworthy. Whatever you are doing, even though it may be hard, you are disciplined, and above all, want to know the status of the plane. It should never be at someone's expense—everyone should feel safe.

### *Defining Moments and Feelings*

Kaipa/Kruger: Was this kind of awareness of interconnectedness a gradual awakening for you, or were there some sudden defining moments in your life?

Mulally: I had some good examples, and I had some lesser examples. Maybe the center of it is, whatever religion it is, the center here is (referring to the four circles he drew and what he had written at the intersection of the four circles) "to love and be loved." We are here, two professionals who enjoy each other and learn from each other. We have this hour together. We are here, and regardless of what religion you or I ascribe to, right now we are here together. And then we will each be somewhere else. So what is the purpose underneath it all? There are only two reasons I can think of: that is to love and to be loved, not necessarily in that order. So what is it that I am doing? I am loving—and getting people together around the world. I am loving creating airplanes. I am loving all these different aspects of my life. And then do you know what happens?

I get responses such as the one you gave me. You stood up in the middle of a meeting (referring to Prasad's participation in one of the design meetings for Boeing 777). There were about a hundred people there who came from around the world. You gave this speech on how what you saw at Boeing compared with what you saw in different places around the world. We provided you with an opportunity—and you took that opportunity. Why did you do it? I think you did it for a higher reason. Because you were going to share with others what you learned from this team. What were you doing? You were simply loving what we were doing. You were sharing your passion with us, saying, "You guys are OK. You are better than OK. You need to feel appreciated for what you doing."

So did people think you were just making positive statements about our airplanes? No. People thought you were making a positive statement about us, about the way we treat each other. That would then carry us through difficult times . . . the more you give, the more you receive.

Kaipa/Kruger: I don't think the usual business CEO, business executive, or engineer would get to this realization. You live an inspired life and you get people around you to be inspired workers. So what is your secret? Were there some incidents that allowed you to open up and

see the world differently? How did you get to be who you are?

Mulally: Well, I had unconditional love from my parents. Unconditional. I was more than accepted. I was loved. They were interested in me, and they cared for me, no matter what happened. They had high expectations. I always had inside of me this love for living. I could not wait for the sun to come up. I don't know what it is about me, but I get a lot of positive feedback for being this way.

Everything is an opportunity to me. I want to make a difference, I am nice to everyone, and my self-worth is rather high. I am the most excited when I appreciate somebody, and I get feedback that says, "I really like you being the way you are." Over the years I have kept responding to people, writing back to them. I still write. I still answer every e-mail. I write notes to people all day long.

Kaipa/Kriger: I just came out of a two-day gathering with technical professionals in your company who attended my 'Out-of-the-Box Thinking' course. When I said, "Guys, I know the session is closing at 4, but I have to leave early and meet with Alan Mulally. I have to check out a little early." In response, people said, "Please say 'hi' to Alan for us."

Cheryl, one of the participants, said, "Alan sent this happy holidays greetings," and I thought, "Why not respond to him?" She then wrote a note to you wishing you "happy holiday." She said that you responded to her right away and that she was amazed that you responded to her. She cherished that e-mail. She said, "I am one of those engineers who are individual contributors, and the President of my company responds to my e-mail and wishes me holiday greetings individually. That was something really unique!"

So, yes, you are living what you are saying about responding to people. In responding to individual e-mails you are making a difference by saying to the others in the organization, "Your self-worth is about appreciating someone else." It is a cycle where others love to be loved.

Mulally: I think that is right. I answer everyone. Sometimes they e-mail me and say, "Is it really you? Is there a screener for you?" They can't believe that it's me. I will write, "Yes, it's me." It's like there is a human being on the other side. You feel that there's a human being out there.

### *On Role Models*

Kaipa/Kriger: Were there some other people in your life? As you said, your parents provided you with

unconditional love. Are there other people who inspired you to have this view?

Mulally: It's as if all the leaders that I saw were making a difference in their own way. Kennedy made a difference, but it's not that anyone is perfect. Gandhi . . . I can remember studying Gandhi. I felt, "Wow! All these leaders are dedicated to a compelling vision." This inspired me. Gorbachev was a hero of mine. He walked away from communism and then the wall came down. Now we have airplanes flying everywhere from point to point in that part of the world.

Kay [my secretary] is an inspiration to me: the way she takes care of every phone call. Every person who calls feels very special. She helps people that call up from the factory floor who have an issue and she gets them to the right person.

Kaipa/Kriger: What would you do differently if you knew what you know now?

Mulally: I really was fortunate to learn it when I was younger. I think it is because I love to live and I love to contribute. I believe that all of us want to be around people like that. I am respectful of other human beings. I think that I know the way I want my life to be—and I want to be associated with other people that feel that way. I move away from people very quickly if they are not that way. I will not criticize them, but that is not where I want to be.

Once I went with five employees to a place. All five I had met along the line and they all had these stories about the way I had interacted with them and how they felt special and important. I walked away with the feeling—my gosh—I can't do it enough. I've got to do more. It is getting to this place where you are comfortable with yourself.

Kaipa/Kriger: As a leader, you come across lots of things that you don't know and where there are unknowns. How do you go about getting to know them? How do you make decisions?

Mulally: I do things to include everybody. We develop plans; we develop performance goals; we know the range, the payload, the technology, and the learning that comes from accomplishing the goals. Whatever you dedicate yourself to, there ought to be an objective, a vision, a plan, something that accomplishes something. Once you get that, once you get everybody doing it, then there is nonstop learning, especially in the creation business. How do we do that? How do we make the airplane fly at 40,000 feet, keep everybody warm at 72 degrees. It's that everyday someone comes up with a piece of creativity.



## Reflections for Future Generations

Kaipa/Kruger: If you were to tell your grandchildren 20 years from now about the future and how to cope with it, what would you tell them?

Mulally: It starts with treating people the way you want to be treated, making a contribution, finding important things to commit your life to, life-long learning, and trying to learn a new way of doing everything, and the biggest perspective—how the world is doing, the big issues—it is so interesting, and then I ask, “Where do I want to fit in? What interests me? What do I care about?”

Whatever I am doing I feel it is going to be important. For example, my daughter is a writer and is graduating from college. We were talking about this and she said, “I want to communicate my plan. I want people to know how important it is what they are doing.” She took a job at a hospital, Virginia Mason Heart Institute. Right away she learned everything she could about the heart institute. She thought, “My God, with the bypass procedure they are saving lives!” She became excited that what she was doing was important.

So she is using her skills now to bring people alive, to share their stories and get people excited about what they are doing. I know from watching her that she is finding those fundamentals that she loves and finds important. She is not going to do it for something else—right? Or she will find another job—because you want to live this life to the fullest. You want to be as aware as possible. You want to know as much as you can; you want to learn as much as you can; you want to follow your heart and learn what it is that you can contribute to. So everything is an opportunity. Who knows beforehand where they are going to get an opportunity to contribute? The fundamental is making a difference—and then having fun doing it. You only get to do this once!

Kaipa/Kruger: What is the role that spirituality has had on you? Are you spiritual, or religious?

Mulally: Well, I love Christianity and I love Buddhism. My favorite way to be is to think, “Life is good. Be happy now and let it go.” Because life is good, no matter what. I am never thinking I will be doing something “happy” at 4 p.m. or tomorrow morning. No matter how hard it is, I am happy. I am happy because life is good. I am alive, I am loving—and being loved. You can’t go and make this a terrible movie. And the choices I make, just make it better and better. I mean—I can make choices that are dangerous—or I can make choices that build on the belief that life is good. Be happy now. And the best one I have learnt is: “Let it go.” If someone says, “You son of a gun, I can’t stand

the way you said that.” Well, thank you for sharing. If it is in an e-mail, the harder and more angry someone is, the nicer is my response.

Somebody wrote me: “The heat is off in my building. I am freezing to death. What are you guys doing about it?” I responded: “Where are you? I want to get the specs straight away.” The guy comes back, “So sorry, is it really you?”

If somebody has a criticism, if you can take it in stride and feel it, well, you can learn from that. Why would I say: “I have a problem.” Do I need to get angry? What is the choice I have? Why would I get angry? Why do you feel that about me? What did I do to hurt your feelings? If you can’t do anything about it—then let it go.

Kaipa/Kruger: I found, after 15 years of coaching practice that science and technology will give you the tools; spirituality gives you the meaning, and business gives you a way to manifest something like planes or profits or . . .

Mulally: And you pull them together.

Kaipa/Kruger: Yes, you pull them together. I am recognizing that it is the confluence between these three domains you have drawn, in the intersection of them, there is a way to liberate the potential genius within.

Mulally: I think we are one.

Kaipa/Kruger: Yes, I agree. But I am amazed that you say it as the President!

Mulally: It’s OK to have all the pieces. There are millions of pieces, but there is something about overall meaning, I think, that spirituality is about. We are human beings and then we need to ask, “What is the purpose?” We know that (see Bohm, 1980, and Smith, 1991, for similar philosophical orientations toward life, and living fully).

We know when we are loved. And we often know just looking in people’s eyes what they are feeling. If there are contractors on the shop floor and they don’t want to talk to you, then you should ask, “What are you doing?”

Are you going to go home at night, lie in bed, and think, “I feel good. I mentally beat up five people today?” I could never live with myself that way!

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