Becoming a Leader: The Final Challenge

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Becoming a Leader

The Final Challenge

Key Topics Covered in This Chapter

- *The characteristics of effective leaders*
- *Balancing tensions*
- *How to create a vision that others will follow*
- *Being a change agent*
- *Challenging complacency*
- *Leading without formal authority*

BEING A LEADER is not the same as being a manager, and vice versa. Managers create order out of complexity; they keep the trains running on schedule. Leaders, in contrast, deal with ambiguity, change, and opportunity; they push the train tracks where they've never gone before. This distinction is not entirely accurate, as leaders must also manage. To be effective, leadership cannot just be about inspiration and grand visions, but must also be about getting results.

Managers must also lead within their own spheres of responsibility. They must create a vision that others will follow, align people and resources with their vision, use communication skills to muster support, gather resources, motivate others to do their best, and harness the power of creative conflict. These are among the topics treated in this chapter.

The Challenge of Contemporary Leadership

In the past, leaders generally knew that they were invested with formal authority. They were the kings, the generals, the CEOs. Within clear constraints, their directives carried the weight of societal or organizational authority. That is much less true today. Because today's organizations are flatter and less hierarchical, many people called to lead find that their formal authority is not particularly useful; to get people moving in the right direction they must rely on personal influence, diplomacy, and skill in communicating; conflict resolution; and the carrot of motivation.

Today's formal and informal leaders also must be alert and enterprising. Owing to the rapid pace of change, they must be able to recognize opportunities and threats, and be capable of mustering organizational responses to them. More than anything, they must be able to maintain positive energy in the face of risk, ambiguity, and change. And they must balance the tensions that exist in every organization.

Characteristics of Effective Leaders

Leadership used to be viewed in terms of a set of innate traits: intelligence, self-confidence, vision, verbal eloquence, and a mystical blend of courage, charisma, and decisiveness. Epic poems and premodern histories celebrated these traits—and the individuals who possessed them. Here's just one sample, a description of England's King Richard I from Beha ed-Din Ibn Shedad's *Life of Saladin*:

> *This king, Richard Coeur-de-lion, was of terrible strength, proven valour and indomitable character. . . . In dignity and power he was inferior to the king of France, but he was richer and braver.*

It's difficult to think of any modern leader being described in those terms. In contrast, here are some traits of effective business leaders. How many do you have? How many can you develop?

- Caring—They empathize with other people's needs, concerns, and goals.
- Comfortable with ambiguity—They can operate in environments of uncertainty, where guideposts are few.
- Persistent—They maintain a positive, focused attitude in pursuing a goal, despite obstacles and failures.
- Excellent in communications—They know how to listen closely, make presentations, and speak in public.
- Effective negotiator—Good leaders are always negotiating, both with outsiders and their own people.

- Politically astute—They have a solid sense of their organization's power structure, listen especially carefully to the concerns of its most powerful groups, and know where to turn for the support and resources they need.
- Humorous—When the situation warrants it, they know how to relieve tension with a little mirth.
- Level-headed—In the midst of turmoil and confusion they maintain an inner calmness.
- Engaging—They are effective in gaining the commitment of others to organizational goals.
- Challenging—They convince others that they should set high standards and accept goals that make them stretch.
- Self-aware—They know how their own behavior affects others.
- Future-focused—They organize short-term tasks according to long-term priorities.

These personal traits may be things that people either have or don't have. Some may be developed or modeled through observation of leaders at close range. Biographies of leaders with these traits provide insights into the personal makeup of effective leaders.

While observing what effective leaders *are* is a useful exercise, be equally attentive to what they *do*—how they behave. What they do includes: making decisions even though all the facts are not available; making difficult trade-offs; creating plans that others eagerly follow; taking actions consistent with their values; inspiring ordinary people to do extraordinary things; and balancing the tensions inherent in organizational life. Again, close-range observation of leader behavior can help us model our own behavior as leaders.

The Tensions Leaders Must Balance

One of the behaviors just cited—balancing organizational tensions—is worth investigating here, since it is so rarely considered. Every organization contains internal tensions. Left alone, these could

dissipate energy through internal conflict. It is the leader's job to turn the energy within those tensions to good purposes. Among the tensions we find in organizations, two stand out:

1. **The competitive urge.** Even as they collaborate to beat the competition, individual employees, team members, and entire departments inevitably compare themselves to each other. Some try to shine at the expense of others. Their competitive instincts urge them to seek recognition and rewards—often at the expense of their colleagues. The competitive urge is a valuable form of energy. But it cannot be allowed to create internal warfare. Instead, the competitive urge must be channeled into activities that benefit the entire organization. Effective leaders manage to do this.

   The case of T. E. Lawrence provides an engaging example of a leader who accomplished many of his goals by rechanneling internal tensions. Sent out by the British Army to the Arabian Peninsula during World War I, Lawrence's aim was to enlist the area's Bedouin tribes against the Ottoman Turks who controlled strategic parts of the region. These tribes, however, were as eager to attack each other as to fight against the Turks. Lawrence's reputation was made by his success in redirecting the tensions that divided the tribes, turning them into a unified fighting force with a single goal. Business leaders are often faced by the same internecine warfare. It's their job to redirect that energy into productive channels.

2. **Group decision making versus decisiveness.** The idea that leaders share decision making is nothing new. Great generals and kings have always sought the counsel of trusted advisers, often to the point of making key decisions jointly. Does this mitigate the power and influence of the leader? It can, and in the worse cases can lead to suboptimal decisions—"everyone's second choice." While less masterful leaders are defensive about their decision-making rights, astute leaders recognize the benefit of taking counsel, having their assumptions challenged, and hearing alternatives. They know how to make the most of group decision making. Instead of demanding that the inner circle of

leadership accept his solutions, the effective leader demands that the team address critical unresolved issues. For example, rather than telling his team or workgroup, "Here are the cuts that must be made," the leader says, "Our task this morning is to determine the best way to cut the budget, given that the R&D line is untouchable. Tell me your thoughts, the facts that support them, and their likely consequences."

Still, there are times when it is necessary to make a decision by a process other than group consensus. For example, when an emergency demands immediate action a unilateral decision by the leader may be necessary. Team members will accept this as long as they see that their input on other issues is welcomed and considered. A leader who is dismissive of their input quickly loses support.

Crafting a Vision That Others Will Follow

Effective leaders create a vision that others will support with their hands and minds.

A *vision* is a picture of a hoped-for end result: what it will look like, how it will function, what it will produce. A powerful vision is one that resonates with the deep yearning of one's followers. Here's the vision that Hernán Cortés offered to the band of men who followed him from the Caribbean island of Hispañola to the conquest of Mexico in 1519, as recorded by one of his captains:

> *[E]very good man of spirit desires and strives, by his own effort, to make himself the equal of the excellent men of his day and even those of the past. And so it is that I am embarking upon a great and beautiful enterprise, which will be famous in times to come, because I know in my heart that we shall take vast and wealthy lands, peoples such as have never before been seen, and kingdoms greater than those of our monarchs.*[1]

By twenty-first century standards, Cortés was a freebooter who sought nothing but rank and wealth. Nevertheless, he was a remarkable leader, whose vision sustained his followers through months of

The Elements of an Effective Vision

As you shape your organization's or unit's vision, remember that an effective vision touches people's inner aspirations. Its language can be translated into a realistic strategy. Its fulfillment may be challenging, but achievable. It also has these characteristics: It serves the interests of the company's most important stakeholders and it clearly defines the benefits to them.

The vision must be easy to explain and understand; it must also be focused and straightforward. Even if implementing the vision is a complicated process, explaining it should not be.

danger and privation. Such is the motivating power of a vision. Business leaders must provide the equivalent—a vision that appeals to followers to such a degree that they will muster the creativity or extra effort needed to make it a reality.

David Bradford and Allen Cohen, both scholars of business leadership, have observed that significant change is unlikely without a compelling vision to draw out and channel people's energy. "People need to see that change will be worth all the effort. Sometimes that can be accomplished by a vivid description of the desired future state. . . . It is difficult to visualize interactive changes in the abstract."[2] Their phrase, "vivid description," is worth noting. The vision held up by the leader cannot be abstract or vague; instead, it must be described with sufficient details that followers can see and feel the leader's vision.

Be a Change Agent

More than managers, leaders must be agents for change. They must detect signs in the outer environment that the world is changing, be cognizant of threats and opportunities, and prod others to respond in ways that will lead to success and survival.

Think for a moment about the big, big changes in the world over the centuries. Chances are that you can associate one or a handful of

individuals with those changes. Copernicus and Galileo ultimately changed our view of where we stand relative to our neighbors in the solar system and the universe around us. Charles Darwin's theory of natural selection torpedoed the accepted wisdom on humankind's history. That theory has made just about everyone think differently about their origins. Karl Marx, a thinker, and Vladimir Lenin, a doer, created a communist movement that, at its apex, held sway over almost half the world. Henry Ford and his engineers developed a new approach to manufacturing—the assembly line—that fundamentally altered the auto industry and many others. In each of these cases, one or a handful of people who thought differently about the world had a major impact on human history. None began with serious resources or backing. All created change through the power of their ideas. All were what we call change agents.

Change agents are catalysts who get the ball rolling, even if they don't do most of the pushing. Everett Rogers, who has written broadly on change and its diffusion in society, described them as figures with one foot in the old world and one in the new—creators of a bridge across which others can travel. They help others to see what the problems are, and convince them to grapple with those problems. Change agents, in his view, fulfill critical roles.[3] They:

- Articulate the need for change
- Are accepted by others as trustworthy and competent (people must accept the messenger before they accept the message)
- See and diagnose problems from the perspective of their audience
- Motivate people to change
- Work through others in translating intention into action
- Stabilize the adoption of innovation
- Foster self-renewing behavior in others so that they can "go out of business" as change agents

Do you possess these characteristics? If you do, you are already a leader. If you don't, work at developing them. Start looking at your

company—or your part of the company—with an "outside-in" perspective. That is, try to stand outside of your situation and look at it with the objectivity of a perceptive stranger. Is what you observe going on in your organization aligned with the world around it, or is it out of touch with larger realities? If it's out of touch, develop some thought leadership on the problem. Discuss the problem with others—both inside and outside your unit—to gain even more perspective. Then find opportunities to alert your peers and your boss to the problem and its perils if they do not change. Be a change agent!

Keep Your Organization Change-Ready

Being a leader and acting like a change agent won't do you much good if your organization isn't prepared for change. Generally, an organization is change-ready if it

- has effective and respected leaders;
- is motivated to change, in that it has a sense of discomfort with the status quo;
- is accustomed to collaborative work.

It's hard for leaders to get people to move in new directions if any of these qualities are absent, and it's the leader's job to keep the organization in a state that reflects these three qualities. For example, if you detect a threat from a new technology or a new competitor, it's your job to challenge complacency and create a sense of urgency. Leaders do this by raising concerns about a current, problematic situation. Harvard Business School professor Michael Beer has recommended four approaches to challenging the complacency that kills so many organizations:[4]

1. Use information about the organization's competitive situation to generate discussion with employees about current and prospective problems. Top management, he says, often fails to understand why employees are not concerned about productivity, customer service, or costs. Too often this is because management

has failed to put employees in touch with the relevant data. In the absence of that data, everything appears to be fine. People say, "Why should we change? Why should we make the effort?"

2. Create opportunities for employees to educate management about the dissatisfactions and problems they experience. In some cases, top management is out of touch with weaknesses of the business or emerging threats—things that front-line employees understand through daily experience on the factory floor or in face-to-face dealings with customers. If this is your company's problem, find ways to improve communications between top management and front-line people so that the message gets through.

3. Create dialogue on the data. Providing data is one thing. Creating dialogue on the data is something entirely different and more productive. Dialogue should aim for a joint understanding of company problems. Dialogue is a means by which both managers and employees can inform each other of their assumptions and their diagnoses.

4. Set high standards and expect people to meet them. The act of stating high standards by itself creates dissatisfaction with the current level of performance. During his tenure as CEO of Hewlett-Packard, John Young periodically challenged employees with "stretch goals" that, on their face, were difficult but achievable. In one case he asked employees for a tenfold cut in the failure rate, which triggered warranty claims, of HP products. Given that the failure rate at the time was only 2 percent (low by U.S. manufacturing standards at the time), this was a Herculean challenge. On another occasion he asked for a 50 percent reduction in the average time-to-market of new product projects. In both cases, HP employees rose to the challenge.

Complacency is a common barrier to change. When people are comfortable with the status quo, they are oblivious to things that need changing. Your job as a leader is to shake them out of their complacency. Table 11-1 details some signs of complacency for which you should be on the lookout.

TABLE 11 - 1

Is Your Organization Complacent?

Signs of Complacency	Examples
No highly visible crisis.	The company is not losing money; no big layoffs are threatened.
The company measures itself against low standards.	The company compares itself to the industry average, not to the industry leader.
Organizational structure focuses attention on narrow functional goals instead of broad business performance.	Marketing has one measurement criterion; manufacturing has another that is unrelated. Only the CEO uses broader measures (return on invested capital, economic value added, etc.).
Planning and control systems are rigged to make it easy for everyone to make their functional goals.	The typical manager or employee can work for months without encountering an unsatisfied or frustrated customer or supplier.
Performance feedback is strictly internal. Feedback from customers, suppliers, and shareholders is not encouraged.	The culture dictates that external feedback is either without value or likely to be uninformed. "Customers really don't know what they want. We do."
Evidence that change is needed results in finger-pointing.	"It's manufacturing's problem, not ours."
Management focuses on marginal issues.	"The ship is sinking. Let's rearrange the deck chairs."
The culture sends subliminal messages of success.	Plush offices, wood paneling, and fine art adorn corporate offices.
Management believes its own press releases and mythology.	"We are the greatest ad agency in the country. We set the standard for our industry."

Source: Adapted from John P. Kotter, *Leading Change* (Boston, MA: Harvard Business School Press, 1996), 39–41.

Leading When You're Not the Boss

If you're like most managers, you regularly find yourself in situations where you have responsibility but not the authority to get things done.[5] Perhaps you head up a cross-functional team whose members don't report to you. Perhaps you manage a set of outside vendors. In other cases you may have nominal authority, but find that your charges are disinclined to respond to directives. In cases where you

lack command authority, issuing direct orders is not feasible. Nevertheless, you must lead.

So what works? As it happens, a few students of leadership have sketched out approaches designed for precisely this situation. Jay A. Conger, director of the Leadership Institute at the University of Southern California's business school, advocates management by persuasion, noting that the most effective managers he observed during research and consulting assignments have actually avoided issuing directives.

True leadership, of course, has never been a matter of formal authority. Leaders are effective when the people around them acknowledge them as leaders. A title does not make a leader; a real leader is set apart by his or her attributes, attitudes, and behaviors.

Everyone's familiar with the charismatic leader. But what most aspiring leaders need isn't charisma. They need more mundane virtues: a reputation for hard work, a reputation of integrity, appealing ideas, reliability—someone perceived as having done his homework. Have you always done what you said you'd do? Do your colleagues think of you as someone who always tells the truth and admits his mistakes? Are you the first to figure out what is wrong and to formulate a new approach? These behaviors alone won't make you a leader, but a lack of them will surely eliminate you from contention.

A Five-Step Method

There is no single best way to lead when you are not the boss. Different situations—a crisis, a long-term project, and so forth—call out for different types of leaders. Nevertheless, the following five-step method can help you in many situations where you do not have a boss-subordinate relationship with others. It was developed by Harvard negotiation specialist Roger Fisher and his colleague Alan Sharp, who contend that it can be applied to virtually any project, team, or meeting in which you are a participant.

STEP 1: ESTABLISH GOALS. People accomplish the most when their objectives are clear. It follows that any group's first order of

business should be to write down exactly what it hopes to achieve. The person who asks the question, "Can we start by clarifying our goals?" and who then assumes the lead in discussing and drafting those goals is taking a leadership role, whatever his or her position.

STEP 2: THINK SYSTEMATICALLY. Observe your next meeting: People typically plunge into the issue at hand and start arguing over what to do. Effective leaders, in contrast, are more systematic—that is, they gather and lay out the pertinent data, seek out the causes of the situation, and propose actions based on their analysis. Anyone who engages group members in this type of systematic approach, and guides them through it, becomes a de facto leader. Their leadership keeps people focused on the problem-solving process, and they reinforce their leadership by asking appropriate questions.

> "Do we have all the information we need to analyze this situation?"
>
> "Can we focus on the causes of the problem we're trying to solve?"

Once they have determined the cause of the problem, they lead people in a similar systematic discussion of potential solutions.

STEP 3: LEARN FROM EXPERIENCE—WHILE IT'S HAPPENING. Most teams plow ahead on a project, and only when it's over do they conduct an after-action review to reflect on what they have learned. It's sometimes more effective to learn as you go along, which means that part of a group's daily work is to conduct minireviews and make any necessary midcourse corrections. Why is this ongoing process more effective than an after-action review? The answer is that the data are fresh in everyone's mind. The reviews engage people's attention because the group can utilize its conclusions to make adjustments. Here, too, anyone who focuses the group on regular review and learning plays a de facto leadership role.

STEP 4: ENGAGE OTHERS. Groups are successful when the skills and efforts of every member are engaged. This doesn't happen naturally;

someone must make it happen. A leader does this by seeking the best fit possible between members' interest and skills and the tasks that need doing. You can fill this role by writing a list of all the tasks that need doing and matching them with individuals or subgroups. If no one wants a particular task, brainstorm ways to make that task more interesting or challenging. Partition the task if necessary into small parts that others can manage. Also, draw out the group's quieter members so that everyone feels like part of the team.

STEP 5: PROVIDE FEEDBACK. Even if you're not the boss, you can provide helpful feedback. Simply indicating your appreciation of the efforts of others will cost you nothing but will win people to your side. "I thought you did a great job in there."

Some team members may appreciate and benefit from coaching. "I had to deal with the same problem a few years ago; can I tell you what worked for me?" (See the section on coaching in chapter 7.)

Given the current popularity of teams, managers at every level can find opportunities to act as leaders without formal authority. Use those opportunities whenever you confront a leadership vacuum or whenever stepping forward can improve the situation. The experience you develop through these situations will help you develop and improve as a manager and leader. And always remember, if you learn to lead successfully *without* formal authority, leading with it will be easy.

Summing Up

- Effective leaders have many common characteristics. They are caring, comfortable with ambiguity, persistent, good communicators and negotiators, politically astute, humorous, and level-headed. They are also effective at engaging people's commitment to challenging goals, aware of how their behavior affects others, and focused on the future.
- Most organizations have internal tensions; for example, from competition between employees. The effective leader turns those tensions into productive activities.

- A vision is a picture of a hoped-for end result. One job of the leader is to articulate a powerful vision that resonates with the deep yearnings of his or her followers.
- When necessary, a leader must act as an agent for change.
- Managers routinely find themselves in situations where they are accountable for results but have no formal authority. In these cases they must lead through persuasion as well as their attributes, attitudes, and behaviors.

Notes

Chapter 11

1. Bernal Díaz de Castillo, *The True History of the Conquest of New Spain*, trans. J. M. Cohen (Harmondsworth: Penguin Books, Ltd, 1963), 38.

2. David Bradford and Allen Cohen, *Power Up* (New York: John Wiley & Sons, Inc., 1998), 232.

3. Everett M. Rogers, *Diffusion of Innovation*, 3rd ed. (New York: The Free Press, 1983), 315–316.

4. Michael Beer, "Leading Change," Class note 9-488-037 (Boston: Harvard Business School, 1988; revised 1991), 2.

5. This section is adapted from "How to Lead When You're Not the Boss," *Harvard Management Update*, March 2000, 1–3.

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