



Better Under Pressure

How Great Leaders Bring Out the Best in Themselves and Others

by Justin Menkes

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Take-Aways

- Great leaders share three traits: “realistic optimism,” “subservience to purpose” and the ability to “find order in chaos.”
- Realistic optimism requires two factors: “an awareness of actual circumstances” and a “sense of agency.”
- A “sense of agency” means you control your situation and do not blame others for it.
- To serve a higher purpose, define what you hope to accomplish and live that vision.
- Recruit individuals who share your purpose and who are wholly committed to your corporate mission.
- Ignore negative emotions that hinder your pursuit of meaningful purpose.
- Avoid “grandiosity,” an unrealistically high opinion of your self-importance.
- Find order in chaos by thinking clearly and relishing the opportunity to solve problems.
- Constantly learn, and challenge yourself and others.
- Anyone can change, so strong leaders should work to bring out the best in their people.

Rating (10 is best)

Overall

8

Applicability

9

Innovation

8

Style

8

Relevance

What You Will Learn

In this Abstract, you will learn: 1) How to maximize your potential and draw out the potential of those around you, and 2) What three traits great leaders share.

Recommendation

As Scottish Victorian-era writer Thomas Carlyle once noted, “No pressure, no diamonds.” Perhaps this is why some CEOs can thrive under pressure and achieve even more stellar results than under normal circumstances. How can you emulate these stalwart leaders? Executive recruiter Justin Menkes interviewed 60 former and current CEOs and assessed 200 CEO candidates with cognitive-ability testing, behavioral interviewing and peer performance ratings. He discovered that leaders who prosper under pressure share three characteristics: “realistic optimism,” “subservience to purpose” and the ability to “find order in chaos.” Menkes provides fresh, solid real-life examples to support his views of what it means to be a strong leader. Though he tends to reiterate his main message, *getAbstract* recommends his clear, straightforward analysis to executives, aspiring CEOs and anyone dealing with high-pressure situations.

Abstract

“There are no longer periods of calm seas for leaders in any industry.”

“Leaders today must [navigate] a ship through 40-foot waves – oceans that will never again be secure – and still be able to guide their crew safely from port to port.”

The Three Traits Leaders Need

In a business climate where just keeping a company alive is a challenge, leaders must thrive under pressure. More than half the firms that led their industries in 1955 remained industry leaders in 1990, but more than two-thirds of 1990’s market leaders no longer existed in 2004. Woolworths, Bethlehem Steel, Arthur Andersen – institutions that survived more than 100 years – folded in modern times.

Successful leaders possess three traits that enable them to navigate such rocky shores: “realistic optimism,” “subservience to purpose” and the ability to “find order in chaos.” Leaders imbued with realistic optimism pursue ambitious goals with confidence but not delusion. Those who feel subservient to a higher purpose live their professional goals with passion. Leaders who find order in chaos tackle multidimensional problems undaunted.

The best CEOs share all three traits, using them singly or in combination as needed. Leaders who lack these traits tend to underperform or outright fail, unless they learn from them – which they can. True leaders are always acquiring new levels of skill. The best leaders learn to work with their followers and share their successes. Genuine leaders of all kinds help their staff members maximize their personal possibilities. People want to know that their efforts matter. Their pride in having their leaders confirm their accomplishments motivates them to do their best.

Discovering Your Potential

Fred Hassan, CEO of pharmaceutical giant Schering-Plough, learned the value of hard work from his parents. His father, a civil servant, created serums to heal snakebite and distributed his potions to flood victims in Pakistan. His mother encouraged Hassan to practice talking until he overcame an early speech impediment rather than letting him just avoid words that made him stutter.

"Almost every human being alive today has an underutilized thirst for bettering himself or herself."

"Pride is the greatest human motivator. People want to go to work feeling part of something great."

"One of the most critical tasks for leaders operating within a stressful environment is to channel their emotions and reactions in a way that does not hinder their people's progress."

"Solutions created in a vacuum (without listening to others) are never as good as those with a full range of input."

As Schering-Plough's chief executive, Hassan addressed manufacturing problems that drew unwanted attention from the US Food and Drug Administration (FDA). While dealing with the firm's FDA violations, Hassan sought to instill a sense of excellence among his employees. He changed the company's compensation structure so workers would receive 80% of their pay as salary and 20% as commission instead of the previous 60/40 split. Hassan knew that his employees would be more motivated by recognition for their work than by money.

Successful organizations have a deep sense of purpose that goes beyond a simple mission statement. Their leaders encourage employees to discover their potential and make something of themselves regardless of their education or background. For instance, McDonald's rewards employees based solely on performance. Its CEO, Jim Skinner, reminds employees that half of McDonald's CEOs started out working in the mailroom or in a restaurant.

Urges that Restrict Your Potential

Jean Piaget, "the father of developmental psychology," wrote that children have an innate desire to learn new things. However, people must recognize, develop and utilize their inborn drive to learn. As children grow into adults, they avoid anything risky or dangerous. This "negativity bias" means that people react quickly to protect themselves, often impeding their growth.

Leaders should take ownership of their achievements and encourage their employees to do the same. To lead others, you must first experience the fulfillment that comes from personal discipline and diligence. Giving up is easier than fighting through new challenges, but avoidance only leads to restlessness and a lack of pride. People who believe in their goals will dig deeper to achieve them, so help your staffers reclaim that drive and sense of accomplishment. Hard work bestows a sense of satisfaction that motivates employees to increase their efforts. This strong sense of pride in genuine achievement helps build professional satisfaction and personal happiness. While some people strive for rank, power or money, over the long haul, meaningful work is the most powerful motivator.

Leaders also must resolve their own conflicting needs, such as spending time with their families while still accomplishing their work, and they must recognize their staffers' similar needs. As Ralph Larsen, retired CEO of Johnson & Johnson, explains, "If you've got chaos in your home, you can't do this job...So you've got to make sure that you have the right balance between your work life and your family life." One of Larsen's solutions was to have pizza with his family every Sunday night despite his intense work and travel schedule, even if that meant taking a dawn flight Monday morning.

Realistic Optimism

Leaders must be imbued with realistic optimism, which has two facets: a full and accurate "awareness of actual circumstances" and "a sense of agency." When it comes to awareness, realistic optimism differs considerably from "impervious optimism," an unrelenting, detrimental belief in positive outcomes. Good leaders must be able to process both success and failure. Through adversity, leaders learn what they could have done differently. The frustration and disappointment of defeat allows them to grow. While not succeeding may cause deep and lasting pain, real leaders overcome their shame and learn from their mistakes.

"It takes a lot of tenacity to get any company started. But in some cases, it takes a sense of moral outrage." (Herb Kelleher, founder of Southwest Airlines)

"Impervious optimism is a critical flaw because leaders have to process and address a tremendous amount of failure on their way to any success of significance."

"Words, tones and body language all transmit messages to subordinates and affect people's sense of competence, not to mention their positional status and daily comfort."

"To stay in touch with our failures is to tolerate our experience of shame associated with it."

Humility helps leaders face reality. Humble leaders are authentic and able to reflect and look honestly at themselves. Humility makes leaders more sensitive to what their employees need from them. This heightened sensitivity leads to greater awareness of what happens in the workplace, including subtle changes in customers' or employees' behavior.

The second part of realistic optimism is a "sense of agency," people's feelings that they control their own destiny, outcomes and experiences. Great leaders don't just understand their circumstances; they believe they can change what is happening around them. Psychological studies show that individuals are more motivated when they feel they have control over their jobs. Those who believe they have the power to shape their future also are more inspired to achieve their goals than those who think the future is unchangeable. Individuals tend to view control over events as either "internal," meaning they believe they can control what happens to them, or "external," meaning that they think others control what happens to them.

Good leaders with a high sense of agency can ignore obstacles and work around the roadblocks that hamper others because they approach problems differently. Dave O'Reilly, CEO of Chevron, began managing a California chemicals plant at age 32. Although his background covered "only...refining and petroleum products," he was interested in the specialized chemicals industry. On his first day as manager, he approached workers who had been picketing the plant for the past month. O'Reilly talked to them about their concerns over the plant's safety and reliability issues. That initial, informal contact immediately eased his relationship with his employees.

When your staff members feel a sense of accomplishment regarding their jobs, they will become more energized and will work harder. However, instilling that confidence among people who've had little or no previous accountability or responsibility is an uphill effort. Use metrics and feedback to help your employees analyze their successes and failures.

For example, Gordon Bethune, a former CEO of Continental Airlines, wanted to change his airline's performance in arriving at its destinations on time. When Bethune started, Continental ranked last among airlines for on-time flights, but he promised every employee a \$65 monthly bonus for each month the company appeared in the top 50% of airlines with on-time flights. Continental's on-time performance quickly changed from worst to best.

Conversely, a low sense of agency hinders success. The leaders of a major medical equipment company spotted a young division head as a potential future chief executive, but after he'd been on the job two years, his unit was still struggling. He blamed others for the poor results, claiming his people weren't helping him. According to him, his superiors were ganging up on him and everyone he hired was inept. He undermined his career by refusing to take responsibility.

Serving a Higher Purpose

Leaders are serving a higher purpose when they put their organizations' needs ahead of their own. When they work with their employees toward a common goal, they form "affiliations based on shared dedication," which builds tremendous loyalty. Great leaders derive immense satisfaction from their work and surround themselves with people who feel the same way. Rather than bonding only to each other, employees sharing a common cause feel loyal to their employer. Team members who work well together while fulfilling a meaningful purpose form strong ties.

"To lead...you must go beyond tolerating stress and fear to actually using them as a motivator."

"Most people find their progress dramatically slowed by their emotional reactions when confronting forbidding situations."

"Confidence is like railroad tracks in the brain. They get laid down over time, and they allow us to approach something with the sense that we've been there before and we can do it."

"Our path to gratification or regret is largely up to us."

When you pursue meaningful goals at work, you build your subservience to purpose. Kroger CEO Dave Dillon considers subservience to purpose the absolute heart of his supermarket chain's mission. "To matter, we need to feel we are attached to something bigger than ourselves," said Dillon, who urges his employees to remember that 10% of the US population shops at a Kroger's grocery store once a week.

However, even leaders who share a strong sense of purpose with their employees must manage the conflicts that inevitably arise. For example, an executive who fails to clearly define each team member's responsibilities will end up spending time dealing with misunderstandings among staffers and breaking up potential turf wars instead of focusing on the bottom line. Leaders must also keep their emotions in check even when they become angry or frustrated if things don't go as planned. The most dangerous emotion is "grandiosity," or outsized feelings of self-importance that distort a leader's views of reality. Self-absorbed leaders become increasingly disconnected from their teams.

Find Order in Chaos

To survive today's challenging environment, leaders must seek tranquility amid turmoil. They must maintain a cool head and keep their cognitive abilities intact during stressful times. Great leaders retain the mental clarity needed to think through complex problems. While others feel confusion, anxiety or anger when confronted with puzzling situations, leaders embrace the challenge and the satisfaction that derives from finding solutions.

Handling stress is never easy because the brain responds physically to emotional pressures. Fluctuating hormone levels can cause a decrease in higher-level cognitive operations. Intense anxiety can impair basic kinds of thinking, such as short-term memory and simple information processing. Leaders must learn to embrace the uncertainty they feel in demanding moments and use that pressure as a motivator to fight through the confusion. With experience and awareness, leaders can strengthen their ability to perform under intense pressure.

Leaders also must be able to listen and learn in the face of challenges. When they face a problem, they must be driven to find a solution. Procter & Gamble's CEO, A.G. Lafley, didn't understand why the company's new, energy-efficient laundry detergent wasn't catching on in developing nations. On a business trip to Brazil, he talked to local people about using the product. He told them it works well using less water than its competitors. Local consumers told him that they thought their clothes weren't getting clean because the soap didn't produce a lot of suds. When P&G added suds, sales increased.

Learning is a lifelong process. Leaders who lack realistic optimism, a subservience to purpose and the ability to find order in chaos can master these skills only if they want to improve themselves and work with others. Good leaders understand that "no one person has a fixed identity." Individuals fluctuate between good and bad attributes, depending on their circumstances. Leaders must endeavor to bring out the best in themselves and their followers.

About the Author

Justin Menkes works for the executive search firm Spencer Stuart. He wrote *Executive Intelligence: What All Great Leaders Have* and holds a PhD in organizational behavior.