INTRODUCTION

My story might be called "The Education of USS *Benfold*," which is a guided missile destroyer that I commanded for twenty months beginning in June 1997. Commissioned in 1996 for duty in the Pacific Fleet, the ship is a beautiful fighting machine: 8,600 tons of armor protecting the Navy's most advanced arsenal of computerized missiles; a radar system that can track a bird-size object from fifty miles away; a highly skilled crew of 310 men and women; and four gas turbine engines capable of driving the ship to thirty-plus knots—or more than thirty-three miles an hour—as it speeds into combat, shooting up a huge rooster-tail backwash.

To be given this spectacular vessel as my first sea command was thrilling, but also ironic. Opportunity had called, but in a troubled industry. Our military has spent a lot of time and money preparing for tomorrow's battles with antiquated methods. We continue to invest in the latest technologies and systems, but, as we all know, technology is only a facilitator. The people operat-

ing the equipment are what gives us the fighting edge, and we seemed to have lost our way when it came to helping them grow.

The statistics were startling. In years past, nearly 35 percent, or almost 70,000, of the 200,000 people who joined the military annually, wouldn't complete their enlistment contract. Although most left the service involuntarily, doing so was not necessarily a reflection of their character. Of those who completed their first hitch, a very small percentage reenlisted—not nearly enough to keep our senior billets filled. Worse yet, the best talents were often the first to leave. Since it took $35,000 to recruit a trainee and tens of thousands more in additional training costs to get new personnel to the basic level of proficiency, the price of this attrition to the taxpayer was staggering. And that was only the beginning, since the dropouts went home and counter-recruited against us, making it even harder to convince others to join.

We could and should be getting more for our $325 billion a year investment in national defense. In addition to ensuring our safety and security, we should be providing life-forming experiences that shape the characters of young men and women to make them outstanding citizens and contributors to this great country.

Despite her potency, *Benfold* was not as prepared for the threat of attack as she could have been. The dysfunctional ship had a sullen crew that resented being there and could not wait to get out of the Navy. The achievement in my life of which I am the most proud was turning that crew into a tight-knit, smoothly functioning team that boasted—accurately, many felt—that *Benfold* was the best damn ship in the Navy.

I offer my experiences, my successes, and my failures not only because they make a good story, though I think they do. I offer

them as a practical guide to any leader in any business or organization. Like the Navy, the business community has to figure out how to help people grow. A recent Gallup study found that when people leave their companies, 65 percent of them are actually leaving their managers. As true in the Navy as it is in business, leaders are failing—and the costs are astounding. Conservative estimates put the cost of losing a trained worker at one and a half times the annual salary of the outgoing employee, as measured by lost productivity and recruiting and training costs for the replacement.

What all leaders have in common is the challenge of getting the most out of our crews, which depends on three variables: the leader's needs, the organization's atmosphere, and the crew's potential competence. In this book, I describe how the Navy and other organizations often mismatch those variables and damage themselves in the process. I am fervently committed to helping any leader at any level, in business or in the military, create the mix that makes those variables 100 percent effective.

Exceptional leaders have always been rare, but they can be made as well as born, and the *Benfold* story is a case in point. But the story also conveys an idea of something far larger than the transformation of one captain and his crew. The terrorist attacks on the United States on September 11, 2001, triggered a global fear of apocalypse from which the rational world can recover only with the aid of inspired leadership at every level of society—churches, families, schools, hospitals, courts, Congress, the White House. Of these, companies and military units are among the organizations most in need of superb leadership, because they drive and guard economic stability. Gravely wounded, but hardly daunted, Americans in business and in the military must now

help revive the world economy and win a planetary war without borders.

Crisis spawns leaders, as we saw during those weeks in September when death rained from flawless autumn skies and ordinary people became extraordinary. We may now face a series of crises throughout the world, and the need for steady leaders may be as relentless as the crises themselves.

I hope this book will help anyone suddenly challenged, as I was, with the realization that leadership is earned, not designated.

In a nutshell, hard experience has taught me that real leadership is about understanding yourself first, then using that to create a superb organization. Leaders must free their subordinates to fulfill their talents to the utmost. However, most obstacles that limit people's potential are set in motion by the leader and are rooted in his or her own fears, ego needs, and unproductive habits. When leaders explore deep within their thoughts and feelings in order to understand themselves, a transformation can take shape.

That understanding shifts the leader's perspective on all of the interactions in life, and he or she approaches leadership from a completely different place. As a result, the leader's choices are different from those he or she made when blinded by fear, ego, and habit. More important, others perceive the person as more authentic, which in turn reinforces the new behavior. This can vastly improve how people respond to their leaders and makes their loyalty to the source of gratification more likely: my ship, your company, their peers, the culture that gives their lives meaning and purpose.

To be sure, your organization has a pragmatic goal, and obviously, it isn't to be a therapeutic shelter. My ship's job was war;

your company's purpose is profit. But we will achieve neither by ordering people to perform as we wish. Even if doing so produces short-term benefits, the consequences can prove devastating. My experience has shown that helping people realize their full potential can lead to attaining goals that would be impossible to reach under command-and-control.

While the economy was booming, teeming with high-tech jobs for qualified young people, the Navy was accepting thousands who had thus far been left out of the nation's prosperity. Our job was to turn them into high-tech experts—master operators of state-of-the-art warships costing billions of dollars. Moreover, we had to shape them into self-confident men and women fully able to serve their country in dangerous times and unfamiliar places. We did all this, playing the same hand my predecessor held. We didn't fire or replace anyone. We tapped the potential that had never been recognized.

That *Benfold* succeeded to a startling degree is not necessarily a testament to the U.S. Navy, which is still burdened with a very mixed bag of leaders, but rather to the approach I found, and to my shipmates, who more than justified my trust and confidence in them.

In the chapters that follow, I will detail the ideas and techniques that I used to win my sailors' trust and, eventually, their enthusiastic commitment to our joint goal of making our ship the best in the fleet. The book narrates episodes in *Benfold*'s two-year voyage through uncharted waters of leadership, and is organized around the lessons I learned. A chapter is given to each one: Lead by example; listen aggressively; communicate purpose and meaning; create a climate of trust; look for results, not salutes; take calculated risks; go beyond standard procedure; build up

your people's confidence; generate unity; and improve your people's quality of life as much as possible.

At the Naval Academy we studied legendary military leaders, from Alexander the Great to Dwight D. Eisenhower, but I sensed that something was missing from those portraits. Biographers described their victories and heroic gestures, but my years in the Navy taught me that the art of leadership lies in simple things—commonsense actions that ensure high morale and increase the odds of winning.

Leaders must be willing to put the ship's performance ahead of their egos, which for some people is harder than for others. The command-and-control approach is far from the most efficient way to tap people's intelligence and skills. To the contrary, I found that the more control I gave up, the more command I got. In the beginning, people kept asking my permission to do things. Eventually, I told the crew, "It's *your* ship. You're responsible for it. Make a decision and see what happens." Hence the *Benfold* watchword was "It's your ship." Every sailor felt that *Benfold* was his or her responsibility. Show me an organization in which employees take ownership, and I will show you one that beats its competitors.

Captains need to see the ship from the crew's perspective. They need to make it easy and rewarding for crew members to express themselves and their ideas, and they need to figure out how and when to delegate responsibility.

I took command realizing that I could follow either of two courses. One would be to do nothing for two years, lie low, and take no risks. We have all known cold, timid souls; I may have been one myself as I was coming up through the ranks. The problem—the Navy's biggest—is that had I stayed that way and done

nothing for two years, I probably still would have been promoted.

The more dangerous course, at least to my career, would be to shake things up, rock the boat to get the truly exceptional performance I felt we needed. And that's what I did. When I came to *Benfold*, I had been on my Navy leadership journey for sixteen years—and what I suddenly realized was that I had the power to do this all along. I just never had the self-confidence.

In business, as in the Navy, there is a general understanding that "they" don't want rules to be questioned or challenged. For employees, the "they" is the managers; for managers, the "they" is the executive cadre. I worked hard at convincing my crew that I did want the rules to be questioned and challenged, and that "they" is "us." One of the ways I demonstrated my commitment was to question and challenge rules to *my* bosses. In the end, both the bosses and my crew listened.

How did I get away with this approach in the notoriously rigid hierarchy of the Navy? One answer is that the Navy was in so much trouble that the brass were desperate enough to give people latitude to try new things. But equally important, I discovered a way to create change without asking a higher authority's permission. In effect, I put myself in the shoes of my boss, then asked, "What do I want from Abrashoff and *Benfold*?" What the boss wanted, I decided, was a ship that met all operational commitments and did so under budget, while achieving high morale and a high retention rate. I thought that if I could deliver these things, my boss would leave me alone. He would concentrate on other ships that weren't delivering the same results.

I also made sure to act in the least threatening manner possible. None of my actions could possibly bankrupt the company or

hurt anyone's career. I took prudent, calculated risks, the kind I thought my boss would want me to take. Never once did I do anything to promote myself, just the organization. That way, no one could ever question my motives.

Sure enough, when I got the results I was aiming for, my commodore (the operational commander of a six-ship squadron) was amazed. He started sending other commanding officers over to *Benfold* to figure out what we were doing so they could implement it on their ships. The results improved the business, and my commodore got the credit, so the risks were clearly in his interest. That's the only way to make good things happen in your organization.

Many people consider going out on a limb a sure way to endanger your career, but this conventional wisdom is no way for an organization to stay alive and strong. Organizations should reward risk-takers, even if they fall short once in a while. Let them know that promotions and glory go to innovators and pioneers, not to stand-patters who fear controversy and avoid trying to improve anything. To me, that's the key to keeping an organization young, vital, growing, and successful. Stasis is death to any organization. Evolve or die: It's the law of life. Rules that made sense when they were written may well be obsolete. If so, make them extinct, too.

Of course, trying something new is never easy. For one thing, there aren't any precedents to guide you. But that can be a very good thing.

I gave my first speech at a two-day conference sponsored by the magazine *Fast Company* to six hundred people. I joined Dee Hock, founder of Visa International, and Tom Peters, perhaps best known for his book *In Search of Excellence*. After I talked

about *Benfold*, the questions began, and I floundered. The worst one was, "What kind of metrics did you use when you were determining where you wanted to go?"

I stood there like a deer caught in headlights. I was in such a hurry to change the way we did business, I had bypassed conventional business wisdom on how to implement change. The crowd tittered.

Later, I called my sister Connie, who has an MBA and has worked for major financial institutions all over the country. She said the management committee always wants to see the metrics before they allow you to launch new ideas. Since, by definition, new ideas don't have metrics, the result is that great ideas tend to be stillborn in major companies today.

I just knew where *Benfold* was when I arrived, and generally where I wanted us to go from there. If I had been forced to chart a course defined by metrics, the creativity we sparked and the changes we achieved probably could not have happened.

Still, without metrics, how could I decide whether something new was a good idea? There were no guarantees. Life isn't always tidy, and often unintended consequences result from well-meant actions. In general, however, I decided that on just about everything I did, my standard should be simply whether or not it felt right. You can never go wrong if you do "the right thing."

How do you define the right thing? As U.S. Supreme Court justice Potter Stewart said about pornography, you know it when you see it. If it feels right, smells right, tastes right, it's almost surely the right thing—and you will be on the right track.

If that doesn't sound very profound or sophisticated, in the Navy, in business, and in life, it really is as simple as that.

I hope and believe that this book can help leaders of both large

and small companies realize that they have the power to be phenomenal leaders, just as I did for many years before I decided to use it. Hopefully, my story will help you develop the confidence. Though a guided missile destroyer isn't Procter & Gamble, the old-line Navy management policies aren't so different from those that still rule most corporations. As a leader, you can change your piece of the world, just as I was able to change mine.

It's your ship.

CHAPTER ONE

TAKE COMMAND

MY FIRST INKLING OF THE SIZE OF THE JOB CAME AT 1:21 in the afternoon of June 20, 1997, after I formally assumed command of USS *Benfold.*

When a Navy ship changes hands, all routine work stops two weeks prior to the event. The crew paints the ship from top to bottom, sets up a big tent on the flight deck, arranges chairs for dignitaries, and unrolls a red carpet for the obligatory admiral, who delivers a speech on the outstanding performance of the ship's departing skipper. A reception follows. Waves of good feeling saturate the event as the former commanding officer is piped ashore.

My predecessor was accompanied by his family as he left the ship. And when the public-address system announced his final

departure, much of the crew was not disappointed to see him go. I can still feel my face flushing with embarrassment when I remember how some didn't give him a respectful send-off.

Truthfully, my first thought as I watched this spectacle was about myself. How could I ensure that my eventual departure wouldn't be met with relief when I left the ship in two years? I was taking over a very tough crew who didn't exactly adore their captain.

The crew would probably dislike me, I thought, if for no other reason than that I represented old-fashioned and perhaps obsolete authority. That was okay; being likable is not high among a ship captain's job requirements. What is essential is to be respected, trusted, and effective. Listening to those raucous jeers, I realized that I had a long way to go before I really took command of *Benfold*.

I knew that I would have to come up with a new leadership model, geared to a new era. And this awkward reception underlined for me just how much the workplace had changed in military as well as in civilian life.

Never before had employees felt so free to tell their bosses what they thought of them. In the long economic boom, people were not afraid of losing their jobs. Other jobs awaited them; even modestly qualified people moved from one company to another in a quest for the perfect position they believed they richly deserved.

However the economy is doing, a challenge for leaders in the twenty-first century is attracting and retaining not just employees, but the best employees—and more important, how to motivate them so that they work with passion, energy, and enthusiasm. But very few people with brains, skills, and initiative

appear. The timeless challenge in the real world is to help less-talented people transcend their limitations.

Pondering all this in the context of my post as the new captain of *Benfold*, I read some exit surveys, interviews conducted by the military to find out why people are leaving. I assumed that low pay would be the first reason, but in fact it was fifth. The top reason was not being treated with respect or dignity; second was being prevented from making an impact on the organization; third, not being listened to; and fourth, not being rewarded with more responsibility. Talk about an eye-opener.

Further research disclosed an unexpected parallel with civilian life. According to a recent survey, low pay is also number five on the list of reasons why private employees jump from one company to another. And the top four reasons are virtually the same as in the military. The inescapable conclusion is that, as leaders, we are all doing the same wrong things.

Since a ship's captain can't hand out pay raises, much less stock options, I decided that during my two years commanding *Benfold*, I would concentrate on dealing with the unhappy sailors' top four gripes. My organizing principle was simple: The key to being a successful skipper is to see the ship through the eyes of the crew. Only then can you find out what's really wrong and, in so doing, help the sailors empower themselves to fix it.

A simple principle, yes, but one the Navy applauds in theory and rejects in practice. Officers are told to delegate authority and empower subordinates, but in reality they are expected never to utter the words "I don't know." So they are on constant alert, riding herd on every detail. In short, the system rewards micromanagement by superiors—at the cost of disempowering those below. This is understandable, given the military's ancient insistence on

obedience in the face of chaos, which is essential in battle. Moreover, subordinates may sidestep responsibility by reasoning that their managers are paid to take the rap.

A ship commanded by a micromanager and his or her hierarchy of sub-micromanagers is no breeding ground for individual initiative. And I was aiming for 310 initiative-takers—a crew ready, able, and willing to make *Benfold* the top-rated ship in the fleet.

What I wanted, in fact, was a crew that bore at least a dim resemblance to the ship's namesake, Edward C. Benfold, a Navy hospital corpsman who died in action at the age of twenty-one while tending to two wounded Marines in a foxhole during the Korean War. When several enemy soldiers approached the foxhole, throwing grenades into it, Benfold picked up the grenades and stormed the enemy, killing them and himself in the process. He was posthumously awarded the Congressional Medal of Honor. (Incidentally, he came from the small town of Audubon, New Jersey, which has two other Medal of Honor winners as well, making it the highest per capita Medal of Honor city in the United States.) I wanted my crew to display courage and step up to the plate just as Edward Benfold had done.

We had nowhere to go but up. Still, up is not an easy direction. It defies gravity, both cultural and magnetic. So the *Benfold* story is hardly a hymn to our unalloyed success in converting the heathen. It was tough going.

At first, my unconventional approach to the job evoked fear and undermined the authoritarian personality that had been imprinted on the ship. But instead of constantly scrutinizing the members of my crew with the presumption that they would screw up, I assumed that they wanted to do well and be the best.

I wanted everyone to be involved in the common cause of creating the best ship in the Pacific Fleet. And why stop there? Let's shoot for the best damn ship in the whole damn Navy!

I began with the idea that there is always a better way to do things, and that, contrary to tradition, the crew's insights might be more profound than even the captain's. Accordingly, we spent several months analyzing every process on the ship. I asked everyone, "Is there a better way to do what you do?" Time after time, the answer was yes, and many of the answers were revelations to me.

My second assumption was that the secret to lasting change is to implement processes that people will enjoy carrying out. To that end, I focused my leadership efforts on encouraging people not only to find better ways to do their jobs, but also to have fun as they did them. And sometimes—actually, a lot of times—I encouraged them to have fun for fun's sake.

Little gestures go a long way. At our base in San Diego, for example, I decided to quit feeding the crew with official Navy rations, and instead used the ship's food budget to buy quality civilian brands that were cheaper as well as tastier. I sent some of our cooks to culinary school. What they learned turned *Benfold* into a lunchtime mecca for sailors from all over the San Diego base.

There were also our music videos, courtesy of stealth technology. We have all heard of the stealth bomber. We are now building ships using stealth characteristics to minimize our radar signature so that the enemy cannot easily find us. By using angled decks and radar-absorbing materials on the hull, an enemy's radar beam is either deflected or absorbed. As a result, an 8,600-ton, 505-foot-long destroyer looks no bigger on an enemy's radar

screen than a fishing boat. The angled superstructure that stealth technology dictated on the after part of Benfold resembles the screen of an old drive-in movie theater. So one of my more resourceful sailors created outdoor entertainment by projecting music videos on that surface, which the refueling crews could enjoy. The shows generated a lot of buzz throughout the fleet and lightened up a tedious and sometimes dangerous job.

While spending thirty-five interminable autumn days in the scorching Persian Gulf, we acquired a lifeboat full of pumpkins, a fruit alien to the Middle East. Our supply officer pulled off this coup, and I thought it would be micromanaging to ask for an explanation. After we overdosed on pumpkin pie, we distributed scores of unused pumpkins for a jack-o'-lantern carving contest.

The innovations weren't all lighthearted. On our way from San Diego to the Persian Gulf, for example, our first stop was Honolulu. *Benfold* accompanied two other ships, USS *Gary* and USS *Harry W. Hill*, both skippered by officers senior to me. The operational commander of all three ships was a commodore aboard *Hill*.

During the seven-day voyage, we performed exercises and drills. On the sixth day, we were supposed to detect and avoid a U.S. submarine that was posing as an enemy. The submarine's task was to find and sink the ship carrying the commodore. Though the commanding officer of *Gary* was in charge of this particular exercise, because of his seniority, three days prior to the exercise no plan had yet been announced, and I sensed an opportunity. In business lingo, you could say *Benfold*'s crew had a chance to boost the ship's market share.

I called my junior sonarmen into my stateroom, along with the appropriate officers to serve as witnesses, and assigned them the

task of coming up with an innovative plan. I told them to put themselves in the shoes of the submarine's commanding officer (CO), to figure out what he was going to do, and then to develop a strategy to scupper it.

To everyone's surprise—including mine—they devised the most imaginative plan I had ever seen. We submitted it, but both the commodore and *Gary*'s CO shot it down in favor of a last-minute plan based on the same tactics the Navy has been using since World War II. Now more than ever, we must stop preparing for past battles and prepare for new ones.

When I heard their decision, I went ballistic. Forcefully, almost disrespectfully, I argued with them on the ship-to-ship radio. The radio is a secure circuit, but also a party line that any sailor can listen to by punching the right button, which all of my sailors did. They heard me challenge my bosses to try something new and bold. I was told in no uncertain terms that we would use *Gary*'s plan. I asked for an NFL instant replay, appealing the decision. Nope. Tradition, plus outmoded business practices, carried the day.

As a result, the submarine sank all three of us—without its crew breaking a sweat. Talk about dejection. But my sailors knew that I had gone to bat for them. I could not do less: They had done the same for me by designing such innovative solutions.

The next day, we were scheduled to pull into Pearl Harbor. Navy ships arrive ashore and depart for sea in order of the date of rank of their commanding officers, another archaic monument to tradition. I was the junior commanding officer on our three ships, so *Benfold* was scheduled to arrive last, at 1700 hours in the late afternoon, and depart first at 0700 the next morning, on our way to Singapore.

Since the submarine exercise (read fiasco) was over early in the morning, I saw no reason to drift at sea waiting for the other ships to precede me into Pearl when my sailors could enjoy a whole day's liberty ashore if we left early. With my crew again listening on the party line, I radioed the other captains and asked if they might want to ask permission to go in early. Nothing doing, they said. Stick to plan. Don't stir up trouble, which is exactly what I did when I called the commodore, over their objections, and asked to go in early. His tone wasn't friendly; he, too, had been listening to my conversations with the other COs.

"Give me a good reason," he said.

"We will save taxpayers' money by not sitting out here wasting fuel. Also, I have a broken piece of equipment I want to have fixed, and finally, I would like my crew to enjoy a day on the beach. By my count, that's three good reasons."

The commodore cleared his throat. Then, to everyone's surprise, he said, "Permission granted."

You could hear my sailors cheering throughout the ship. We revved up all four engines and rooster-tailed to the mouth of the harbor at max speed, hardly saving any fuel! We got our equipment fixed, and by midday my sailors were headed for Waikiki and mai tais. That's when they began saying, "This is not your father's Navy."

And that's when I knew that I had taken command—not just in name, but in truth. One sailor told me that the crew thought I cared more about performance and them than about my next promotion. That's another thing you need to learn about your people: They are more perceptive than you give them credit for, and they always know the score—even when you don't want them to.

A lot of the sailors I worked with came from the bottom rung of the socioeconomic ladder. They grew up in dysfunctional families in blighted neighborhoods, where addiction and abuse were common. They went to lousy schools and had little, if any, of what I took for granted as a kid: stability, support, succor. Still, despite all this adversity and the fact that they had nothing handed to them in life, they were some of the best citizens I have ever met. Unlike them, I didn't have to look very far to find my heroes; I had some in my own family. And the older I get, the more I appreciate, even revere, them.

My paternal grandparents came to the United States from Macedonia in 1906 and settled in Mount Union, Pennsylvania. My father, one of eleven children, served in World War II, as did three of his brothers. In the opening hours of the Battle of the Bulge, my uncle Butch took seven bullets to his helmet, was knocked out, presumed dead, and lay on the ground for three days while the battle raged. When soldiers came through to pick up the bodies, they realized he was still breathing. He recovered, and died just last year at the age of eighty-eight.

My uncle Kero, a paratrooper, jumped behind enemy lines in occupied France on a successful mission to gather intelligence.

My father was in the Army, assigned to the Merchant Marine as a radio operator. At the Brooklyn Navy Yard, he was told to choose between two ships. The first was spanking new and the second was an old rust bucket. Maybe because his sympathies were always with the underdog, my father chose the latter. The Army's record-keeping was poor, and he was listed as being on the new ship, which was sunk by a German U-boat in the North Atlantic on one of its first voyages. The War Department even notified my grandfather that my father was killed in action. The

Army stopped his pay. You can imagine the emotions when my father wrote home and his dad realized that he was still alive. Proving to the Army that he was still alive and requesting that they restart his pay evoked lots of emotions as well.

When I was growing up, my father told us war stories at the noon meal on Sundays. We heard them so many times we could finish each one after hearing the first three words. Still, they had a profound impact on us—probably more than my dad realized.

My mother also contributed to the war effort. Altoona, a railroad hub at that time, handled millions of tons of war supplies. My mother, who later became a teacher, worked a shift at the switching stations keeping the trains running.

My father, uncles, and mother were all powerful role models for me. Like NBC news anchor Tom Brokaw, I consider theirs the greatest generation, and I admire their tremendous sacrifices. I told my crew in my very first speech that I had been running hard every day to fill my father's shoes, and I feel that I still am.

My parents never made much money (my father was a social worker and my mother taught junior high), but that didn't stop them from making my childhood a privileged one. We never knew we were poor. They provided discipline, encouragement, and a lot of love. It added up to stability, symbolized by a marriage that has now lasted for fifty-four years in the same house—the one where my mother was born eighty years ago. I believe any of us fortunate enough to come from stable families have a responsibility to try to understand the experiences of those growing up without support, security, or positive role models.

I was number six of seven children. My parents really struggled to put the first five through college, so when the opportunity came for me to get my education "free" at the U.S. Naval Academy, I jumped at the chance. Being an athlete in high school helped me gain admittance: I was recruited to play football. I turned out to be at best a mediocre football player, so I'm glad I had a day job when I graduated.

My degree was in political science, but 80 percent of the courses at the Naval Academy were in engineering, chemistry, physics, calculus, and other technical subjects, which were excruciating for me. Between that and the sheer competitiveness of the place, I wasn't a stellar student. I was lucky to graduate in the bottom third of the class.

For a Navy officer, your first posting depends on your class rank at the Academy, and if you choose to be a ship driver, as I did, you find that the sleekest, newest ships go to the people at the top of the class. My first assignment was to an old rust bucket of a frigate, USS *Albert David.* Oddly, that turned out to be an advantage. On the fast new ships, the Academy hotshots continued to compete with one another for training time and opportunities to learn. On *Albert David,* competing with officers at the bottom of the list, I still had to bust my butt, but it was easier to break out. I got great opportunities at an early stage in my career that I probably would not have had if I had done better at the Academy.

But the officers I was reporting to were also considered to deserve the *Albert David,* and it was their leadership style I was learning. Unfortunately, that was old-fashioned command-and-control; they barked orders and micromanaged everything. I started as the communications officer, but I got to drive the ship a lot because many of the officers were afraid to try. The captain was abusive. He yelled at us so hard that the veins on his neck and forehead would bulge.

At one point, the captain fired the antisubmarine warfare officer and told me, who had no training at all, to replace him. I was able to do some good things by studying my job and telling my dysfunctional division what to do. I was getting semi-good results and moving up the career ladder, but I was still handicapped by my micromanaging style.

I started to get a broader view in my next post, as an aide to Admiral Hugh Webster in Subic Bay in the Philippines, where I was posted for eighteen months. I sat in on all his meetings and read all his confidential correspondence. I even wrote most of his letters for him, and I learned how a two-star admiral in the U.S. Navy operates. That gave me a top-down view of the organization and how people interact with the upper chain of command. We traveled widely in Asia, planned the first U.S. naval visit to Qingdao, China, since the Chinese revolution, and monitored Soviet naval movements from a ship off Vladivostok. It was a great learning experience.

I was twenty-five years old at the time, and most twenty-five-year-olds don't get the opportunity to see how the organization runs at a senior level. It was good training, which businesses could give their up-and-coming young people by making them executive assistants to the top officers.

My next assignment was to the destroyer USS *Harry W. Hill* as the combat systems officer, which made me a department head and also the tactical action officer in charge of running the combat information center. It was a good ship with a great commanding officer, but the executive officer (XO) was the most command-and-control officer I'd ever experienced in the military. Three weeks after I got to the ship in 1987, he called me into his stateroom when we finished the first exercise and told me flatly

that I was the worst tactical action officer he had ever seen in his life. I think his assessment was right, so I took it as notice that I had to get better. It wasn't easy, but when I left the ship eighteen months later, he told me I was the best tactical action officer he had ever seen.

The captain and XO could easily have fired me if they chose to, but I was eager to learn. They saw that I had the right attitude and leadership abilities, and they provided the training I needed in the technical skills. It was rough at the beginning, but they gave me chances, and I benefited. It taught me not to give up on people until I have exhausted every opportunity to train them and help them grow.

From *Harry W. Hill* I went to USS *England*, a guided missile cruiser, where I served from 1989 to 1991. Again, I was combat systems officer, but with a much more complex system; from supervising a crew of 80, I was now managing 120 people. We had a tense tour of duty in the Persian Gulf during Operation Desert Shield, which I will discuss at length later in the book.

When I left *England*, I returned to the Bureau of Naval Personnel to work as an assignment officer. I assigned officers to all the ships in the Atlantic Fleet. It was a staff position, not leadership; I was merely an action officer, doing the work on my own, and I was good at it. The ships were my customers, and I became a master at this process. I was responsible for the Atlantic Fleet, but senior captains from the Pacific Fleet called and told me they had heard that if you wanted anything done at the Bureau, you should call Mike Abrashoff. So I was still climbing the ladder, doing great things; but I was also still relying on my ability to get things done and to micromanage, not on my leadership skills.

I did so well that I was posted as executive officer on the

guided missile cruiser USS *Shiloh,* which was then the most modern ship in the Navy. *Shiloh* was a great ship, and taught me a lot about leadership; it was there that I realized I wanted desperately to become a different kind of leader. But I still didn't know how to accomplish that.

In 1994, I was given the greatest opportunity of my life when I was selected to be the military assistant to Secretary of Defense William Perry. Each of the four services provided three nominees, so I was competing against eleven people for the job. The admiral at the U.S. Bureau of Naval Personnel who submitted my name told me not to get my hopes up. I wasn't the Navy's top pick, he said, and if I got an interview, he hoped I would not embarrass the Navy. Talk about a confidence builder.

Somehow, I got the job—perhaps because my tour with Admiral Webster had taught me how to be a team player and deal confidently with senior officials. However, although I was selected for the job, I was joining a superbly functioning staff, and I was going to have to prove to the team that I was going to be trustworthy—that my first loyalty was to the Office of the Secretary of Defense rather than to my parent service, the U.S. Navy.

There are many highly critical jobs in and around the government that require military officers and some enlisted personnel to be "loaned out" from their parent service (Army, Air Force, Navy, or Marines) to another organization, such as the White House, Joint Chiefs of Staff, or the Office of the Secretary of Defense. The offices that receive the personnel on loan are the policy makers for the national security apparatus, which sometimes has to make policy that is contrary to the parochial interests of each service. In such an instance, pressure by the parent service is applied on these officers on loan to keep the parent service informed of

what is being discussed, so that the admirals and generals can mobilize to defeat the change in policy.

It's an insidious practice that causes distrust in the Pentagon. Secretary of Defense Donald Rumsfeld was quoted in *TIME* magazine as saying, "My Lord, in this place, all you have to do is think about something, and it is leaked. It's like there are eavesdropping microphones on your brain."

As a result, newly reporting personnel are not always fully trusted at the beginning. I felt, rightly or wrongly, that initially I had to prove my trustworthiness, not to Dr. Perry, but rather to the rest of the staff. It helped that the late Chief of Naval Operations, Admiral Mike Boorda, took me aside shortly after I got the job and told me that he expected me to be totally loyal to the Secretary of Defense, and if any other admiral put pressure on me to betray a confidence, I could go directly to him, Admiral Boorda, and the problem would be taken care of.

I spent the time watching, listening, and learning how the Pentagon worked. Little by little, people got to know me and began to give me the rotten jobs that no one else wanted but that I was happy to do. In fact, I used to joke that there were three types of missions in the office: the surefire successes (the two-star general kept those), the potential successes, and the surefire failures. Guess which ones I was assigned? The good news is that I was successful at about 75 percent of these hapless assignments. The bad news is that it sometimes took a tire iron to get them done.

One of my main tasks was to keep Secretary Perry on schedule. Like all great leaders, he was truly disciplined. Once he approved the schedule that we proposed, he expected to stick to it, down to the minute. Meetings started on time and ended on

time, with resolution; no meeting was spent talking about the need for more meetings.

Senior military officers on the make would often try to extend their face-time with Perry, schmoozing with him to enhance their careers. What they didn't realize was that he saw right through their crude tactics. What they also didn't realize was that someone had to be the gatekeeper and that I, holding the key, could make their lives very miserable.

For example, one time we were in Riyadh, Saudi Arabia, scheduled to meet with the families of five Defense Department employees who had been killed the week before when a car bomb exploded outside their offices. Before seeing them, we were to be briefed on operations by a two-star Air Force general. Although the briefing was important, Perry already had a firm grasp of the issues, and the briefing was less crucial than extending his condolences to the families.

The general's briefing also promoted the general. When he showed no signs of finishing, I cut in, announced the briefing was over, and we were off to meet the families. Secretary Perry left. The general took me by the arm and berated me, but I lit into him in a way that I had never done to a senior officer before. Sometimes desperate measures are needed when you are dealing with a sclerotic bureaucracy.

I learned a lot about institutional politics from that job. I discovered how to save taxpayers' money, made possible by a revision in our acquisition policies. All it took was my willingness to ignore some of the Navy's antiquated guidelines, notably those that wasted tax dollars, which had yet to be updated.

But my brush with the Pentagon bureaucracy focused my attention on something much bigger: the Navy's outgoing tide of

good sailors. When I got a ship, I resolved, I would lead it in such a way that that trend would be reversed.

Now, with *Benfold*, it was put up or shut up.

Though I brought with me a lot of negative leadership styles that I learned early in my career, I had already decided that if I was ever going to fill my father's shoes, it was time for me to leave my comfort zone and chart my own course. Luckily, I also had positive role models outside of my family, notably Secretary Perry. It was time to confront everything I had hated about the Navy as I climbed up through its ranks, and fix it all. Though the goal was presumptuous, I told myself that it was important that I try to do this. I might never get promoted again, but I decided that the risk was worth it. I wanted a life I could be proud of. I wanted to have a positive effect on young people's lives. I wanted to create the best organization I could. And I didn't want to squander this leadership opportunity. I have learned over and over that once you squander an opportunity, you can never get it back. When I am ninety years old and hanging out at Leisure World, I don't want to look back on my life and say, "If only I had . . ."

I was terribly insecure, scared, and full of doubt at first. I had never been in such a position before, and I kept asking myself whether or not I was doing the right thing. But I had to make the leap, and I knew I wasn't doing it for myself. I was doing it for my people. I wanted them to have a great experience, and, above all, I never wanted to write parents to say that their son or daughter was not coming home because of something I had done or failed to do. And in the end, I was doing it for the Navy, which I still love even though it had not yet realized that it wasn't "your father's Navy" anymore.

I mean no disrespect when I say that. After all, our fathers' Navy was an extraordinary force that won the biggest sea battles in history. But today's Navy is a different organism. *Benfold,* for instance, is a much more intricate machine than the ships of even twenty years ago. It can deliver far more firepower, with more accuracy, than ten ships combined could in those days. Incredibly complex, the ship emits unprecedented floods of information to be digested, processed, and acted on, sometimes with only seconds to spare. As in business, no one person can stay on top of it all. That's why you need to get more out of your people and challenge them to step up to the plate. What's needed now is a dramatic new way of inspiring people to excel while things are happening at lightning speed.

We achieved that on *Benfold.* I'm not just bragging; the numbers prove it.

In fiscal 1998, we operated on 75 percent of our budget, not because we consciously tried to save money, but because my sailors were free to question conventional wisdom and dream up better ways to do their jobs. For example, we reduced "mission-degrading" equipment failures from seventy-five in 1997 to twenty-four in 1998. As a result, we returned $600,000 of the ship's $2.4 million maintenance budget and $800,000 of its $3 million repair budget. Of course, our reward was to have the Navy's budgeters slash exactly $600,000 and $800,000 from our allotment the following year. Then we saved another 10 percent from that reduced figure, and duly returned it, too.

During this period, *Benfold*'s "readiness indicators" soared. For the hundred days we served in the Persian Gulf during the Iraqi crisis of 1997, we were the go-to ship of the Gulf Fleet, and we got the toughest assignments. We made the highest gunnery score

in the Pacific Fleet. We set a new record for the Navy's predeployment training cycle (preparing for our next assignment), which usually requires fifty-two days—twenty-two in port and thirty at sea. We did it in nineteen days—five in port and fourteen at sea—and earned ourselves thirty-three precious days of shore leave.

When I came aboard *Benfold,* the Navy as a whole had a horrible retention rate. Less than half of all sailors reenlisted for a second tour of duty; that they can retire with generous benefits after only twenty years of service tempted few. *Benfold* itself had a truly dismal retention rate—28 percent. In short, the ship was souring nearly three out of four of its youngest sailors, the people the Navy needs most if it is going to develop a critical mass of reliable petty officers and long-term specialists.

How did our approach affect *Benfold*'s retention rate? Even I find this startling, but the numbers don't lie. The ship's retention rate for the two most critical categories jumped from 28 percent to 100 percent, and stayed there. All of *Benfold*'s career sailors reenlisted for an additional tour. If we had to replace them, we would spend about $100,000 per new recruit for her or his training. And the considerable dollar savings are only the beginning. The ultimate benefit—retaining highly skilled employees—is incalculable.

When I took command of *Benfold,* I realized that no one, including me, is capable of making every decision. I would have to train my people to think and make judgments on their own. Empowering means defining the parameters in which people are allowed to operate, and then setting them free.

But how free was free? What were the limits?

I chose my line in the sand. Whenever the consequences of a

decision had the potential to kill or injure someone, waste taxpayers' money, or damage the ship, I had to be consulted. Short of those contingencies, the crew was authorized to make their own decisions. Even if the decisions were wrong, I would stand by my crew. Hopefully, they would learn from their mistakes. And the more responsibility they were given, the more they learned.

By trading pageantry for performance, we created learning experiences at every turn. We made sure that every sailor had time and was motivated to master his or her job; getting by wasn't good enough.

As a result, we had a promotion rate that was over the top. In the Navy, promotions depend on how well you perform on standardized tests. Everyone ready for advancement takes them at the same time, and those with the highest scores are promoted. When I took command in 1997, my new crew was advancing less than the Navy average. In 1998, I promoted eighty-six sailors, a big leap in self-esteem for roughly one-third of the ship's crew. Now *Benfold* sailors were getting promoted at a rate twice the Navy average.

The fact is that the new environment aboard *Benfold* created a company of collaborators who were flourishing in a spirit of relaxed discipline, creativity, humor, and pride. The Navy noticed: Just seven months after I took the helm, *Benfold* earned the Spokane Trophy, an award established in 1908 by that famous Navy buff President Theodore Roosevelt. It is given each year to the most combat-ready ship in the Pacific Fleet.

Shortly after the award was announced, my boss, the commodore, sent me an e-mail offering congratulations. But don't get too cocky, he warned. His ship had not only won the equivalent

award in the Atlantic Fleet, it had also achieved the Navy's all-time highest score in gunnery, 103.6 (out of a possible 105). "Until you can beat my gunnery score," he wrote, "I don't want to hear any crowing from USS *Benfold*."

Two weeks later, we were scheduled to shoot our own gunnery competition. I didn't say a word to my team; I just taped that e-mail to the gun mount. They scored 104.4 of a possible 105 points, after which I let them write a response to the commodore. I didn't read it, but I have the impression that they crowed quite a bit.

Benfold went on to beat nearly every metric in the Pacific Fleet, and frequently the crew broke the existing record. Directly, I had nothing to do with these triumphs. As I saw it, my job was to create the climate that enabled people to unleash their potential. Given the right environment, there are few limits to what people can achieve.