

Accelerating Performance

Five Leadership Skills You and Your
Organization Can't Do Without



By John R. Ryan, President & CEO
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“You must be the change you wish to see
in the world.”

– Gandhi

Executive Summary

Leadership is like a muscle. The more intelligently you train, the stronger you get. Research at the Center for Creative Leadership reminds us why leaders everywhere, from Fortune 500s to the smallest of nonprofits, need to get to the gym right away.

Leaders today live in an age of remarkably complex challenges. They range from expanding into volatile international markets, to dealing with the fallout from natural disasters, to navigating their organizations through a broken global economy while preparing for future opportunities. Complex challenges, our research has shown, don't yield to quick fixes. They don't respond to standard approaches or conventional knowledge. In fact, 92 percent of executives surveyed by CCL said the challenges their organizations face are more complex than they were just five years ago. On average, they take two years to solve.

Our research also tells us this: you and your colleagues at every level of your organization do not have all the skills needed to lead effectively in the future. CCL surveyed more than 2,000 leaders from 15 companies in the U.S., India and Singapore. We asked these leaders to rate 20 leadership skills in terms of how important they are right now for success and how important they will be for success over the next five years.

A glaring gap exists between the skills leaders have now and the ones they will need.

The upshot: the four most important future skills - leading people, strategic planning, inspiring commitment and managing change - are weak points among today's leaders. There exists, in other words, a glaring gap between the skills leaders have now and the ones they will need in just a few short years. At CCL, we call it the "leadership gap."

In a world of increasingly complex challenges that demand leadership traits many of us do not yet fully have, there's no time to waste in developing ourselves and the men and women in our organizations. Based on CCL's research and practical experience over the past 40 years, we believe the leadership gap can be closed by focusing on these five areas:

- * Teamwork and collaboration
- * Managing change
- * Communication
- * Learning agility/growth mindset
- * Judgment

The Authenticity Imperative

First, however, it is crucial to build a lasting foundation for yourself and your organization. Leadership success starts with authenticity. That means doing our jobs without compromising our values and personality. People will trust you when you are true to yourself and those you are privileged to lead - and that trust makes it possible to get things done. But here's the catch: developing authenticity is not easy. Trying to keep up an executive image of being decisive and all-knowing can compromise our authenticity. Even worse, executives many times do not want to hear the truth about their words and actions. That's a huge mistake because great leadership calls for a very high level of self-awareness. To develop self-awareness, we need to get feedback from people we trust, people who will tell us the truth. When we are young, as J. Barry Griswell and Bob Jennings write in *The Adversity Paradox*, we have lots of mirrors in our lives - parents, coaches, teachers and clergy who look us in the eye and tell us what we're doing well and how we could do better. But the older we get and the farther up the career ladder we go, we tend to leave those mirrors in the drawer. People tell us what we want to hear - and that comes at a cost to us and our organizations. The best leaders get accurate and timely feedback from multiple sources, including colleagues, friends, spouses and others.

The Leadership Link

Still, it's not enough to focus on the growth of individual leaders. How well developed is your organization's overall leadership capacity? Many executives have a strong vision of where they want to go. They have smart people and solid strategies working for them. But their companies sometimes struggle mightily to manage complex changes or introduce new business strategies. These executives are seeing firsthand what research shows - 60 to 90 percent of change initiatives fail. Why? Because change management is too often about operations instead of people and real organizational culture. And, ultimately, people are the key to positive, sustained results in high-performance organizations. What's missing in many organizations is a leadership strategy that clearly aligns with the business strategy. What happens when your leadership and business strategies do not link? Employees will not get opportunities to develop the leadership skills needed to enact the new business strategy. Talent management and succession planning will fragment across groups. Even if employees understand the new strategy, they won't have the leadership skills to bring it to life. You end up with a collection of talented individuals. What you need is a well-functioning team. Getting there means moving away from a bias for action at all costs and toward a bias for strategy that gives meaning to the action.

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Self-awareness and strong ties between your leadership strategy and business strategy create a rock-solid foundation for success. Putting it all together involves five key skills for accelerating performance.

Skill #1 – Teamwork and Collaboration

Teamwork and collaboration are critical for organizations in two ways. Internally, you won't get much done without it. Externally, you need partnerships with like-minded firms that advance your strategy, whether it's developing new products or breaking into emerging markets. Innovation, as the recent recession has made clearer than ever, is the cornerstone of growth - and teamwork is the lifeblood of innovation. Rarely does innovation result from a solitary thinker having a "Eureka!" moment; it almost always arises from collaborative creativity. Innovation requires brainstorming and listening and the pooling of resources. Recent history reminds us that innovation bubbles up when left brain, or analytical thinkers, are paired with right brain, or highly creative, minds. A great partnership, for example, has fueled Apple's success - the creative genius of Steve Jobs and COO Tim Cook's business savvy. But as with authenticity, fostering teamwork is not easy. In a recent CCL study, 97 percent of senior executives told us collaboration is a key factor in organizational success. But just 47 percent believed the leaders in their organizations are skilled collaborators.



KONE, a global producer of elevators and escalators, knows the literal value of teamwork. Ranked among the leaders in its industry, the company wanted a bigger share of the market - and viewed better leadership as the answer. KONE sent more than 250 of its top leaders through CCL training programs, providing a strong foundation in individual leadership skills. But then they saw this: it's good to have great individual leaders, yet that doesn't mean they know how to work together. So the next step involved building leadership capacity throughout the entire organization. KONE decided, as we say at CCL, to slow down to power up. They took time to create cross-functional strategy teams that greatly improved collaboration throughout the company. They began emphasizing leadership, teamwork and accountability at every level. "Both growth and profit are higher than before, and we are on a positive trend," says KONE CEO Vance Tang. "To do what we've done in a year is incredible."

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Skill #2 – Managing Change

Harvard Business School change expert John Kotter reminds us that it is absolutely critical to act with urgency all of the time, whether the economy is strong or weak. In *A Sense of Urgency*, he explains how organizations used to expect one large-scale change a year. Those changes - a merger or perhaps entering a new market - brought their own challenges. But their arrival was not unexpected. Now, as you know very well, we live in a world of continuous large-scale changes. It's hard to predict when they will come or what they will be. The recent global recession offers a perfect example. In these conditions, the ability to establish and sustain a true sense of urgency becomes a critical asset - in fact, it's the foundation for managing change effectively.

In our work at CCL, we have found a few key principles for tackling change. First, view it positively and, of course, with a sense of urgency. There's no point in fearing change since it's inevitable and we can't control it. What we can control is the swiftness of our response. Second, focus on adapting plans as necessary to external pressures. We all had our strategic plans before the recent recession hit. Some organizations stubbornly stuck with them, believing things would return to normal quickly. Others saw a sea change in the marketplace and adjusted their plans accordingly. Third, it's important to manage the resistance to change you are bound to see in your colleagues. It's your role and responsibility to help them understand what's going on externally and why your organization needs to adapt. That means communicating frequently, consistently and honestly. Finally, it's much easier to build support for change internally, rather than dragging your men and women along with you. Be sure to involve them in the design and implementation of major change initiatives, whether it's a workforce restructuring or a new product development process. None of this matters, of course, if we don't try very hard to model each of these principles in our organization. Gandhi put it best: "You must be the change you wish to see in the world."

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Skill #3 – Communication

As an executive with a demanding schedule, it's easy to be cut off from the rest of the organization. Maybe, as a result, you share your thoughts only occasionally. Maybe you don't schedule enough time to seek out the insights of customers and employees. This is a trap we all fall into, and we can all learn a lesson from A.G. Lafley, the retired CEO of Procter & Gamble. During his nine-year winning streak at P&G, Lafley was a relentless communicator who constantly told his colleagues four important words: "The consumer is boss." He was a great listener, often visiting consumers in their homes or joining them for trips to the store. In addition to being P&G's CEO, Lafley also established himself as the company's Chief Listening Officer. He knew that getting good ideas required asking people for input and listening to it very carefully. We should all be Chief Listening Officers in our own organizations.

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In my experience, most organizations are very uneven in their communications. They are often pretty good at the top, meaning the executive and senior management teams and the Board understand the organization's vision and strategy. But the deeper you get into the organization, the more muddled things get. Middle managers and front-line employees many times have no idea how to connect their daily work to their organization's three-year strategy. Remember, it's not their fault. It's ours for not communicating in terms and examples that make sense throughout the entire organization.

Skill #4 – Learning Agility / Growth Mindset



To succeed in a world where our work is always changing, where challenges are unpredictable and competition abounds, we need to be agile learners. We need to apply our new knowledge. Perhaps most of all, we need to believe we can rise to the challenge. There's a growing body of neuroscience research that should give us confidence in our ability to succeed. The brain, it turns out, is highly plastic. We can learn new behaviors and modify deep-set behaviors at any age. It takes hard work and real focus, but all of us really can learn new and effective behaviors – and help take our organizations to new levels of performance. Stanford psychology professor Carol Dweck found that people generally exhibit what she calls “growth mindsets” or “fixed mindsets.” Those of us with growth mindsets believe we have reservoirs of untapped potential. Those with fixed mindsets,

however, believe they will only go as far as their natural abilities take them. They think talent, rather than hard work, forms the bedrock of success.

Back in my early twenties, the U.S. Navy taught me how to fly airplanes. Under the direction of our coaches, it wasn't long before my fellow rookie pilots and I were mastering takeoffs, landings, formation flying, and all the complex steps in between. Then they told us the next challenge was landing on an aircraft carrier. We practiced on a normal runway with four wires at the approach end. The goal was for the tail hook on our aircraft to snag the wire – ideally the third one. After a couple weeks of practice and feedback from our coaches, the moment of truth finally arrived. It was time to actually land on an aircraft carrier. If you've never tried this, I'll tell you what an aircraft carrier looks like from 20,000 feet: pretty darn small! There's no room for error. Your only option was to bring the plane down exactly right. Certainly we trained hard for that moment. But in all honesty, no amount of practice on the ground can prepare you for landing on an aircraft carrier at sea. You have to account for shifting winds, for the fact the ship is rocking in the water and so forth. If you are planning to pull this off, you need to think quickly. You need to adapt and react – very, very quickly. You need learning agility, a growth mindset, and the confidence that comes from knowing you have prepared for the challenge.

Skill #5 – Judgment

Judgment is at the core of leadership. Fundamentally, it's about getting the most important calls right. Just as importantly, it's about learning how to embrace the ambiguous world we live in instead of fearing it. *Judgment* by Noel Tichy and Warren Bennis explores how to develop the skill. The authors point to three key aspects of decision-making: people, strategy and crisis. As I've learned through 40 years of leadership in the military, higher education and nonprofits, people judgment calls are critical. Without making good ones, you won't have a strong team. Without a strong team, your strategy will not be executed effectively. Look first of all for men and women who have demonstrated strong performance, integrity and the desire to assume higher levels of responsibility. Watch out for candidates who treat others insensitively and abrasively and put their self-interests above the company good.



In a world of increasing unknowns in which the future looks less and less like the past, strategy judgment calls require leaders to find new paths. Success depends on asking the right questions, experimenting, and constantly adjusting your approach. It hinges even more on this: your level of humility. Are you too confident in your own judgment? Do you believe too strongly in your old ways of doing business? Do you think that because something has worked many times before it will work again now? The best leaders engage multiple levels and functions of their colleagues in the strategy process. Get the perspective of clients and have the humility to understand that even with great collaboration you will not get everything right, and that you can't know everything yourself. Frequent reviews will help your organization make more informed strategic judgments and then get them executed. Finally, when it comes to crisis judgment, fortune favors the prepared mind and organization.

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Preparation instills confidence in leaders and organizations when a crisis develops. It gives you the ability to stabilize the situation as much as possible and buy the time you need to respond more fully. Crisis judgment is about slowing down to speed up. We need to take time to ensure we have an accurate picture of what's happening and to collaborate with our colleagues. Then we're ready to make calls that have a much better chance of being right.

Conclusion

During my years of service in the U.S. Navy, I was fortunate to travel much of the world. During an assignment in Italy, I made a pilgrimage to Assisi to learn more about St. Francis. This legendary man had a classic saying: “Preach the Gospel at all times. Use words if necessary.” Nearly 800 years later, that is still great advice, especially for leaders. Our actions count for a lot more than our words. When we strive to model that advice each day, our leadership muscles grow stronger. So do those of the people around us. When that happens, performance accelerates, and we can achieve more than we ever imagined.

About the Author

John R. Ryan is president and CEO of the nonprofit Center for Creative Leadership, a top-ranked, global provider of executive education. He writes regular columns on leadership for BusinessWeek.com and Forbes.com. Ryan served previously as Chancellor of the State University of New York, a system of 64 universities and colleges, and as Superintendent of the U.S. Naval Academy at Annapolis, Md. A retired vice admiral and former Navy pilot, Ryan commanded squadrons, wings and forces in Asia, Europe and the Middle East during a 35-year career in the military. He graduated with a B.S. degree from the U.S. Naval Academy and received an M.S. degree in Administration from George Washington University.



About CCL

The Center for Creative Leadership (CCL[®]) is a top-ranked, global provider of executive education that unlocks individual and organizational potential through its exclusive focus on leadership development and research. Founded in 1970 as a nonprofit, educational institution, CCL helps clients worldwide cultivate creative leadership – the capacity to achieve more than imagined by thinking and acting beyond boundaries – through an array of programs, products and other services. Ranked among the world's top providers of executive education by *BusinessWeek* and the *Financial Times*, CCL is headquartered in Greensboro, NC, with campuses in Colorado Springs, CO; San Diego, CA; Brussels, Belgium; Moscow, Russia; and Singapore. Its work is supported by more than 450 faculty members and staff.

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