Accelerating Performance

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

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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 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 – and be disciplined enough to keep going back.

Leaders today face an array of remarkably complex challenges. They range from expanding into volatile international markets to dealing with the fallout from natural disasters to steering organizations through a fragile global economy. 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.

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 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
- Innovation and creativity
- Communication
- Learning agility/growth mindset
- Judgment
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. It means staying humble even when we succeed. People trust us when we are true to ourselves – and that trust makes it possible to get things done. But here’s the catch: developing and maintaining authenticity is not easy. It’s tempting to keep up an executive image of being decisive and all-knowing, even when we’re not. Even worse, successful executives many times do not want to hear the truth about their words and actions from their colleagues and customers. 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 or ignore warning signs they should alert us to – 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 coaches. That’s the best defense against falling prey to what psychologists call the “paradox of power” – through which leaders, once they reach the top of organizations, abandon the strong people skills that made their rise possible in the first place. Effective leaders also take care of themselves physically. CCL research shows that executives who exercise regularly are rated significantly higher on leadership effectiveness by their bosses, peers, and direct reports than men and women who exercised only sporadically or not at all. If you want to sustain your success as a leader over the long term, exercise is crucial.
Still, it’s not enough to focus solely 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 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 learn 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 to excel 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.

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:

1. **Skill #1 – Teamwork and Collaboration**

   Does your organization resemble a soccer team or a track team? As the recent World Cup tournament reminded us, soccer is a team sport in the truest sense of the phrase. Regardless of their position, when players look at the scoreboard at the end of the game they can tell whether they worked together effectively or not. On a track team, though, the team could lose, but individual stars might look at their own outstanding performance and conclude it was a successful day. That same me-first approach happens all the time in organizations – and it’s a major drag on bottom-line performance. We know that teamwork is the answer. In fact, CCL researcher Chris Ernst, author of *Boundary Spanning Leadership*, found that 86 percent of executives surveyed by CCL believe the ability to work across demographic, geographic, stakeholder and other boundaries is “extremely important.” And yet,
just 7 percent of these same leaders described themselves as being “very effective” at doing spanning boundaries. That’s a huge gap – and a missed opportunity. As Chris’ research shows, reaching across boundaries not only poses a challenge for leaders. It also presents a great opportunity to broaden perspectives, practice new collaborative skills and model the behaviors needed to foster transformation within organizations. Alan Mulally discovered this when, as a rising star at Boeing, he was advised by his boss to get outside of his division and take a broader view of how to run the whole organization. He subsequently learned he wasn’t viewed as an especially inclusive leader, someone who worked hard to minimize boundaries for colleagues. He acknowledged this shortcoming and worked hard on reversing it. Eventually, Mulally carried his improved collaborative style with him to Ford, where he’s used it to change the culture and deliver new levels of performance.

KONE, a global producer of elevators and escalators, has also learned the literal value of teamwork. Ranked among the leaders in its industry, the company’s Americas division 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. They also realized this: It’s good to have great individual leaders but 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. The impact: market share and profits rose significantly, safety incidents dropped by more than 70 percent and customer satisfaction tripled.
Skill #2 – Innovation and Creativity

IBM recently asked 1,500 CEOs from around the world this question: what is the most important leadership skill for these complex times? Their answer: creativity. As Harvard Business School professor John Kotter has found, organizations used to expect one large-scale change a year. Those changes – a merger or perhaps entering a new market – brought their own challenges. Now we live in a world of continuous large-scale changes. The recent global recession offers a perfect example. In these conditions, creativity, or the ability to innovate, can be the key to thriving instead of merely surviving, or worse. Innovation is the cornerstone of growth, and it rarely results from a solitary thinker having a “Eureka!” moment. It almost always arises from collaborative creativity. But do we unlock it in our organizations?

In facing new and complex challenges, we often turn right away to traditional business thinking, which is based on deep research, formulas and logical facts. Certainly that approach has its value. It also has its limits. My CCL colleague David Horth likes to quote an executive who said this about the cost of failing to come up with new thinking for new results: “The more you drive over a dead cat, the flatter it gets!” To get different and better results, as David reminds us, we need to complement business thinking with innovative thinking, which imagines a desired future state and figures out how to get there. It’s about embracing ambiguity and exploring numerous possibilities and asking “What if?” We can all develop innovating thinking skills. One way to start is by getting inside the heads of our customers. Don’t just do market research – also go out and watch how they live and use your products. When he was at Procter & Gamble, design guru Dan Buchner had members of his team spend time in people’s homes observing how they cleaned them. The result: the Swiffer line of sweepers, mops and dusters. Would they have gotten that idea from an online survey? A second way to think innovatively: rapid prototyping. Cut through endless analysis and chatter by building and testing new products and services quickly. Sure, there will be some failures. There will also be successes – and you will have shaved months or even years off the time it takes to reach them.
Skill #3 – Communication

As an executive, it’s easy to cut yourself off from the rest of the organization. Maybe you share your thoughts only occasionally. Maybe you don’t spend much time seeking out the insights of customers and employees. This is a trap we can 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. That means spending time listening to and learning from our customers and colleagues, especially those colleagues on the front lines who hear from clients every day.

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 understand the CEO’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 – frequently they don’t even know what the strategy is. Does this sound familiar? 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 learn continuously. 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 leaders of all ages really can learn new skills – and help take their 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. We fulfill it by working hard and learning over time. 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. They won’t challenge themselves because they are too afraid of failure. What kind of leader are you? Do you offer your men and women the development they need to get better? Or do you see their potential as fixed?

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 aircraft carriers. If you’ve never tried this, I’ll tell you what an aircraft carrier looks like from 20,000 feet: pretty darn small. After a couple weeks of practicing simulated landings on normal runways and getting feedback from our coaches, the moment of truth finally arrived. It was time to actually land on an aircraft carrier. 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 the confidence that comes from knowing you have the ability to learn, adapt and execute your role.
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 begins with humility, which reminds us we can’t know everything ourselves and that we are not bigger than our organizations.** Too many leaders in the public and private sectors apparently forgot both of those truths – and their hubris destroyed careers, wrecked organizations and contributed mightily to our ongoing economic turmoil. If you accept that you don’t know everything and that successful leadership calls for serving your men and women, another crucial aspect of judgment follows. You must identify the most pivotal roles in your organization, play a key role in filling them and listen to what people in those roles tell you. Many organizations are large enough that there’s just no way to interact with everyone in it in a personal and meaningful way. So it’s crucial that you have full confidence in and focus most of your attention on the 30 or 40 people in the most critical roles. When one of those jobs comes open, don’t try to pawn the work of filling it on someone else. Be closely involved in choosing a successor.

That brings us to another critical aspect of judgment: the willingness to acknowledge personnel mistakes and rectify them quickly. After we put a lot of time into filling an important job, we often hesitate to undo all that work right away. A sunk-cost mentality dupes us into believing that letting a bad decision stand is still preferable to the huge hassle of redoing it. Don’t wait too long to act when you have the wrong person in the wrong role. Ultimately, it’s not fair to them or to the people working for them. Finally, make room for reflection. Keep a journal and block off time every three months or so to sit down and review the key personnel decisions you made over the previous year. Would you hire the same senior vice president of product development again? Did you listen to what your director of strategy said about entering that new market? As busy leaders, it’s easy to get caught up in our own legacies and lose sight of the men and women we depend on to carry our organizations into the future. And that’s short-sighted. Our legacy, after all, will be decided as much by our successors as by us.
During my years of service in the U.S. Navy, I was fortunate to travel much of the world. While on 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**

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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, the largest comprehensive system of public higher education in the United States, 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 locations in Colorado Springs, CO; San Diego, CA; Brussels, Belgium; Moscow, Russia; Singapore; Pune, India; and Addis Ababa, Ethiopia. Its work is supported by more than 450 faculty members and staff.