

LESSON 1

“Character is like a tree and reputation like its shadow. The shadow is what we think of it; the tree is the real thing.”

—ABRAHAM LINCOLN

IT ALL STARTS WITH CHARACTER

What you do when you think no one is watching may be the best definition of character. Character defines who you are and forms the basis for your leadership. Without it, leadership is impossible; with it, leadership can flourish.

Character is ingrained within us. It is taught to us by our parents, teachers, and coaches; we learn from them. Leaders demonstrate character by insisting on values, abiding by principles, and upholding both in their daily lives. Employees look to managers not only for guidance, but for example. Insisting on good character means everyone must model that behavior. Sure, it's easy to say, but it can be hard to implement in the real world. Good character may get you hired, but it is what you do with your character that matters.

So much of what we admire about our leaders comes down to their character. It is not their degree of affability that matters, as does the degree of respect. People of character command respect because they have earned it. One of the salient features of Level 5 leaders, as depicted in Jim Collins's book, *Good to Great*, is their ability to put the organization first. Employees like that; it means that someone is thinking about the big picture as well as their role in it. Every organization is peopled with men and women who put others first. It is a matter of identifying them and putting them in positions where they can succeed, and in the process help others to succeed. That action breeds organizational character.

Character Counts

Insisting on good character means everyone must model that behavior. Good character may get you hired, but it is what you do with your character that matters. Employees caught up in scandals at corrupt companies may have been wholly innocent but many paid for the crimes of their superiors either through layoffs, loss of pension, or loss of personal reputation. If a manager cuts corners, for example, fudging an expense report, employees will take note. Pretty soon, a climate of “everyone does it” creeps in, and the organization loses not only integrity, but credibility inside and outside.

Define responsibility. Never assume that people know what their responsibilities are; tell them and then ask them to define such responsibilities in their own words. Responsibility for achieving objectives may be clear, but managers need to check whether employees know the code of conduct that defines civility and rights in the workplace but also they need to insist on behaviors conducive to good order. That means, managers can ask for, and insist upon, courtesy, cooperation, and collaboration as part of the job. Never accept the bad attitude, and never call it that term. When a person is out of line, define the behavior, such as acting surly, being uncooperative, or failing to work with others. Those are not attitudes—they are defined behaviors for which a person is responsible.

Hold the right people accountable. When people do something well, we like to reward them—at least good companies do. But when people slip up, accountability sometimes defers to the low person on the totem pole. For example, at Abu Ghraib prison camp, it was the noncommissioned officers and enlisted personnel who were punished first. Senior officers with line authority for the prison system, with the exception of Brigadier General Janis Karpinski, were not initially held accountable. That sets a bad precedent, not only with our troops but for other nations looking at our military judicial system. It threatens to undermine the exceptional work the Army has done in investigating wrongdoing and owning up to the problem. (It must be noted that a few more senior officers were later charged with either tolerating the culture of abuse or covering it up.)

Insist on actions, not words. Every organization professes to be ethical; even organized crime has some rules. But, as the adage goes, it is not what you

say that matters, it is what you do. Take, for instance, the superstar performer who always makes the numbers and scores the big wins. If that person behaves as a jerk toward others, all too often managers will turn a blind eye. After all, they say, let's cut him some slack. What the superstar gets away with would never be tolerated by lesser performers. Eventually, the superstar's gains become short-lived because the workplace becomes so fouled by his negligent behaviors that good people find a way out, leaving only marginal players behind. Pretty soon the whole department stinks, and eventually sinks. There may be justice in that demise, but at what cost? Good people leave, performance plummets, and the organization suffers losses in reputation, revenue, and investor confidence. It would be better to pull the flagrant superstar aside with a warning to correct negative behavior supported by behavioral coaching or else face termination. When employees see superstars let go because they are abusive, it sends a strong signal that the company values ethics over dollars and cents.

Put people in tough situations. If you want people to grow and develop, you give them tough assignments. An extreme example is the U.S. Navy Seals. Their training is physically and mentally exhausting; candidates who want to qualify are pushed to the breaking point. It is certainly not for everyone, but if you want to develop a cadre of troops who can jump out helicopters at night in hostile territory to chase bad guys, you want people who are steeled to adversity. From a management perspective, grooming people for leadership means giving them opportunities to develop their skills, not in classrooms, but in real work situations. Then watch what they do and how they do. In addition to looking for results, examine how they worked with their team. Did they work with people or in spite of them? You want leaders who can bring people together for common cause. That, again, is character.

Reward good actions. One of the best places to see where good deeds are rewarded is on high school or collegiate sports teams. Look at who the players have elected as their captains. The players are not always the most talented athletes, but they are the most outward-directed. They are the ones who lead by example. Specifically, you will find them first to practice, last to leave. What they are doing at practice is essential to team unity. Often, they are tutoring fellow players in the art of the game, or more often, in the art of getting along with a coach, a teacher, or a fellow player. They are team leaders respected by their teammates. Managers may find such employees on their own teams. When they do, they are wise to put them in positions where their example can influence

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others. Better yet, good managers promote such people into positions of higher responsibility so their positive actions can have even greater impact.

Send the scoundrels packing. People who make managerial mistakes need education and coaching; folks who knowingly make ethical breeches should be sent packing right away. That sends a clear message that such behavior is never tolerated. If you let it slide—or at least, do not exact consequences in the form of demanding amends, bad things will continue to happen until something really bad occurs.

Why Character Matters

Character is a virtue, however, and if it does not show up on the bottom line, it nonetheless provides the basis for sustainability. If you manage for the short term, how you treat employees or corporate assets is less important. But if you operate for the long term, the caliber of the people you recruit, retain, and reward says much about the character of your organization. These are the men and women who will make the decisions that will develop products and services that offer value to customers who want to buy and shareholders who want to own. Character then does matter. Revealing it is essential to your future.



LESSON 3

“If anything goes bad, I did it. If anything goes semi-good, then we did it. If anything goes real good, then you did it. That’s all it takes to get people to win football games for you.”

—PAUL “BEAR” BRYANT

ACCOUNTABILITY: THE BUCK STOPS HERE

Will you stand up and take the hit when things go sour? By contrast, do you have the capacity to step aside from the spotlight when things go well? Those questions address the root of accountability—responsibility and recognition.

Don't Look at Me

Leaders are responsible for the actions of the people they lead. Well, duh! That statement has been uttered so often it has become a cliché. Too bad, because some people in high places should know better. Let me give you two instances.

In August 2007, Richard Myers, former chairman of the Joint Chiefs of Staff, was called to testify before a congressional committee investigating the military’s handling of the death of Corporal Pat Tillman, who was killed by friendly fire in Afghanistan. The Tillman family was not officially informed of the true circumstances of Pat’s death until five weeks afterward, and well past his well-publicized memorial service. Myers testified that the Army had not done its job and was fully accountable for this negligence. However, he excused himself and the Joint Chiefs from accountability. His former boss, Donald Rumsfeld, also exonerated himself.²

Senior leaders know right from wrong; that’s why we put them in places of

responsibility. But when they shirk those responsibilities, and in the process, cast blame elsewhere, their actions are reprehensible. In Myers's case, the general was not in the chain of command. However, both leaders were senior enough to begin investigations when the heat was on; neither did so. So what can we learn from these two stories? Plenty.

Acting Like a Leader

“Uneasy lies the head that wears the crown,” wrote Shakespeare in *Henry IV*, Part II. In other words, it ain't easy to be king. Fortunately, we no longer live in an era of rule by primogeniture. Our leaders have choices, but when they willfully and arrogantly fail to live up to the standards that their followers expect, they deserve their fate. Worse, they set the wrong example of every other up and comer who sees the big shots behaving badly.

Myers retired by the time the Tillman case came to light, so he escaped scrutiny. But it's not a matter of retribution. Leadership is about doing what's right. That is another cliché—and one easily disregarded for matters of expediency or reputation. The memories of a slain student and a heroic soldier deserve better, and so, too, do the organizations to which they belonged.

This same situation played out in the House of Representatives when Republican leaders sought to distance themselves from Representative Mark Foley, who resigned amid allegations of inappropriate contact and relations with House pages, all of whom were under age. Foley's crimes are easy to identify and condemn. Watching the House leaders point the finger at one another, saying others knew but ultimately did nothing to stop a sexual predator, illustrates Lord Action's observation about political office: Power corrupts and absolute power corrupts absolutely. Representatives chose to protect the party first, and everything else comes in second.³

Such situations are not isolated, as headlines certainly indicate, but moral equivalency occurs everyday in every organization. Senior leaders preach the necessity of doing the right thing and pledge to do so, but so often, when the heat is on, we see them do things that contradict their proclaimed values. Although such equivalency may be part of human nature, there are things managers can do to ensure that values are upheld.

Hold yourself accountable first. Rumsfeld defended himself, and by extension General Myers, by saying that the Department of Defense is too big

for one man to know everything. That's not the point. When rumors fly about a high-profile case, you hold yourself and your team accountable for finding things out. In reference to learning that Tillman's death was changed from enemy fire to friendly fire, Myers said, "I don't think there's any regulation that would require me to do anything, actually." Neither Myers nor Rumsfeld actively participated in the cover-up, but they are responsible for the allowing the smoke screen of ignorance to choke off the truth.⁴

Keep your eyes open. Ronald Reagan quoted the Russian proverb, "Trust but verify," to Mikhail Gorbachev, the last leader of the Soviet Union. Reagan was referring to nuclear disarmament, but the proverb applies to managers, too. Should you trust people? Absolutely. But until you know them, watch them carefully. Don't just look for mistakes, though; watch for ways you can support them when making tough decisions. Coach them through their tough moments, such as when they have to promote or demote someone. That builds trust, too.

Choose your moment. Leadership is defined by making tough choices at the right time. An example would be when publisher Jeffrey Johnson and editor Dean Baquet of the *Los Angeles Times* stood up and told management of the Tribune Company, which owns the L.A. paper, that they would not cut any more jobs; to do so, they argued, would harm the paper's ability to be a first-rate newspaper. Johnson was later sacked for this insubordination, but Baquet escaped the axe. Moral courage is not a nice-to-have; it's a must-have for every leader. It does not come easily, and it is not taught in leadership development programs. It is earned in the halls of power. (Baquet was later fired and eventually rejoined the *New York Times*, where he had worked prior to coming to the *Los Angeles Times*.)⁵

Act for integrity. Trust should be the operative word in any organization. But it must be earned. Trust does not occur by being everyone's pal; it comes most often when the chips are down and tough decisions must be made. This example has been reinforced to me by watching more than one manager phase himself or herself out of a job during an organizational transformation. In most instances, the company will find a place for such a manager, but not always, so there is a risk when you put organization first. But integrity demands it.

Promise a clean-up. It is not enough to say that you are sorry. You must do something to correct the situation. We laugh at celebrities who trip and fall

from public grace and say, “I apologize to anyone I’ve offended.” Why our cynicism? Because there is no accountability, nor pledge to make things better.

One more thing: Stay vigilant. Ethical lapses can occur at any time and in any place. To think otherwise is to put your head in the proverbial sand. Worse, it is an invitation for people to take advantage of you and your good intentions. As we have seen time and again, good managers can be sabotaged by personal agendas. And that’s bad for the entire organization.

Owning Up to the Issue

So are there situations that call for leaders to look the other way? Frankly, no!

The burden of leadership is significant. When leaders seek to avoid responsibility for their actions, then the organization is doomed—or at least moral values are. Donald Rumsfeld prided himself on being a tough and savvy leader, but one of his vices, although perhaps a critical key for him staying in power, was his refusal to accept responsibility when things went badly.

Rumsfeld told Bob Woodward for his book *State of Denial* that he does not regard himself as a military commander, despite his constitutional authority. Therefore, according to his reasoning, he is not responsible for actions in the field, especially those that result in casualties. As Woodward explained to an interviewer, honest commanders will always admit to mistakes; their integrity demands it and their troops expect it. Such moral escapism may help Rumsfeld sleep at night, but it certainly gives cold comfort to officers and troops in harm’s way.⁶

Distancing oneself from the action is a leadership failure that opens the door for negligence and ultimately lack of responsibility. Leadership is not a right; it is a privilege granted by those who follow to those in charge. Ultimately, it is earned, and so when leaders, either corporate or political, seek to exempt themselves from the chain of responsibility, then they should forfeit their right to authority, too. The stakes are too high for anything else to occur.



LESSON 8

“He who has no fire within himself cannot warm others.”

—SWISS-GERMAN PROVERB

MAKE YOUR PRESENCE FELT

Call it charm, appeal, or simple attraction, presence is a factor of leadership that not everyone can possess. Like expensive perfume, it must be used in small quantities and with great care.

Not long ago, I visited a friend in his office, and as part of my visit he decided to show me around the premises and introduce me to some people. What I remember most about the tour was not the facilities nor the friendly folks, but the behavior of others toward my friend. Wherever he ventured, down the hall, into an office, or across the street, he was hailed with a wave, met with a smile, given a big handshake, or even asked for a business update. My friend is a senior colleague in a professional service firm, but he is not the CEO, so people were not sucking up, nor trying to impress me.

What these spontaneous reactions toward my friend demonstrated most clearly is that my friend is respected and liked. His colleagues visibly showed that they have trust in him as a leader, even if he does not have line authority over them. My friend is someone who leads by example, and, therefore, generates good feelings because he delivers on his word and delivers for his clients, too.

Radiating Confidence

So often, young managers ask how they can demonstrate leadership in the workplace. They want to be seen as competent and capable, but they also need to learn comportment—that is, how you carry yourself. Young managers would do well to observe my friend, but I am certain many fine examples exist in their

own workplaces. The challenge is to find them and then lock your eyes on them and keep your ears open. They will teach you much.

Observation is one way that genuine leadership lessons are passed on from manager to manager, company to company, and generation to generation. What all good leaders possess is a sense of confidence that comes from knowing what you do and having others believe it, too. Such confidence creates a presence, or an aura. Here are four ways to nurture your presence.

Be present. Young managers who want to make a mark need to be seen and heard. Consider this a state of presence. Peter Senge and colleagues have explored the concept of “presentism,” that is, being connected to others as well as the organization.¹⁵ You need to be engaged in the moment so that you can make contributions to what’s going on now and in the future. For example, if you are a systems analyst, you have to perform the job, but if you want to be seen as someone with potential, you need to make contributions that demonstrate that you know how to think critically, problem-solve, and even look to the future.

Be cordial. Never underestimate the power of a smile. Those who smile a lot (and I am not referring to simpletons, here) are optimists. They look to the bright side. As a result, they draw people to them. Why? Because we like being around pleasant people. Cordiality is more than smiling; it is also common courtesy. That means, holding the door for someone, lifting a box, or straightening up the office. It could also mean fetching coffee or bottled water from the break room. Simple things, yes, but meaningful actions.

Be available. Being willing to lend a hand on a job, or being ready to listen to a colleague with a question, demonstrates that you are interested in other people. You understand that work is not all procedure and process; it is largely the human interaction that propels it. Forget the human element, and things go awry. In the case of my host, he was always available to others; that’s why he was forever being pulled aside by colleagues who wanted to give him an update or get his opinion. They trusted him.

Be willing. Leadership is not defined; it is a matter of seeing what needs to be done and doing it. It can be simple things, such as sprucing up the office. A fresh coat of paint, new posters on the wall, or even new furniture will make

people feel better about coming to work. Such willingness can lead to big things, such as volunteering to lead the next big project. Put yourself forth as the person who can bring resources and people together to make things happen. If you have demonstrated leadership in the small things, it will signal to others that you are ready to handle more responsibilities.

Walking the Talk

Presence will only get you so far. You have to “walk the talk.” Larry Bossidy tells a story about his career at General Electric. Although he was viewed as a competent manager, Bossidy says that a knock against him was that he “lacked experience.” He promised himself that if he ever became a senior leader, he would hire a bunch of inexperienced but capable managers, just to prove that lack of experience was not a hindrance. Bossidy did just that, he confesses jocularly; his experiment did not pan out as planned. Too much inexperience overwhelmed whatever he was trying to accomplish. Leaders need to deliver on what they promise. Bossidy, of course, did that throughout his career at GE, and later at Allied Signal and Honeywell.¹⁶

The aura of leadership is honed, yes, but it must be earned by experience and demonstrated daily by example. Projecting that presence is important, not out of a sense of self-importance but out of a sense of genuine leadership. Leaders do not act alone for long; their real value is in directing, guiding, and inspiring others. Those activities cannot occur unless leaders are willing to get out of themselves and project capability and competence so that others will feel that they are someone worth following. That will only occur when the leader uses his skills and his personality to connect with others person to person. “You can buy a person’s time; you can buy his physical presence at a given place . . .” said Clarence Francis, onetime CEO of General Foods. “But you cannot buy enthusiasm. You cannot buy loyalty. You cannot buy the devotion of hearts, minds, and souls. These you must earn.” Such a connection lays the foundation for trust, and ultimately followership.

