

FIGURE 3.2 Leadership tent floor: Character.

is so important that some authors have written about it as if it were synonymous with leadership. For example:

- Warren Bennis, one of the most respected writers and researchers on leadership, has talked about leadership being all about integrity.
- Max De Pree, the CEO of Herman Miller and a frequent writer on leadership, has equated leadership with personal character.
- Jim Kouzes and Barry Posner have written a book entitled *Credibility*, and defined personal credibility as the foundation of all leadership.
- Jim Shaffer writes about leadership being defined by “telling the truth.”

Zenger, John; Folkman, Joseph. *Extraordinary Leader*.
Blacklick, OH, USA: McGraw-Hill Professional Publishing, 2002. p 55.
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- Stephen Covey has written about the importance of leaders following principles in their daily behavior.

These are just a sampling of the many writings about leadership that emphasize the role of personal character in leadership. Our research confirms that personal character is absolutely at the heart of effective leadership.

Here are some of the ways character gets defined:

- Making decisions with the organization paramount in their mind, versus allowing a personal agenda to influence decisions
- Keeping commitments that are made
- Practicing self-development; constantly learning
- Being receptive to, and specifically asking for, feedback from others
- Being approachable by anyone
- Treating everyone the same—no “smiling up and kicking down” behavior
- Treating the waitress and bellhop with dignity, as well as people of high status
- Trusting other people; assuming they have good intentions
- Working collaboratively with others, versus seeing everyone as a competitor
- Not acting in an arrogant manner toward others
- Being tenacious and not giving up because something is difficult
- Having emotional resilience; adjusting rapidly to changing environments

Many organizations have learned that finding people with the right character is the absolute requirement for long-term success of the organization.

A colleague asked a senior executive of Louis Vuitton, the maker of high-end luggage and personal accessories, how they went about getting people to produce such high-quality products. The executive's answer was, “You look for people who seek quality in their personal life, and in all the things they use and possess. You can't train that into people.”

Zenger, John; Folkman, Joseph. *Extraordinary Leader*.
Blacklick, OH, USA: McGraw-Hill Professional Publishing, 2002. p 56.
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The retailer Nordstrom is currently working to regain the position that it once held as the leading provider of excellent service. Again, when the executives are asked about how they plan to do that, their answer is: "Hire nice people." It is much easier to teach a nice person selling skills and how to use "point of sale" equipment than it is to teach "niceness" to someone who knows how to complete the paperwork for a sales transaction.

However, our research shows that when people receive high scores on this important dimension of leadership, but this is all they score highly on, then the likelihood of them being perceived as outstanding leaders is approximately 6 percent. And if people are given low marks on these "character" dimensions, they will absolutely not be perceived as great leaders.

We concur, therefore, with the people who have written of the importance of leaders being persons of high character. Without it, long-term failure is certain. Where we part company with some is our conclusion that character is a necessary, but not sufficient, element for great leadership. To complicate the matter even further, there are some people who are perceived as effective leaders yet who seem to possess major character flaws. This will probably be known in leadership literature in decades to come as the "Clinton phenomenon." It seems more often to be reserved for political leaders than for those in business and industry, but we do not pretend to fully understand that anomaly.

In the aftermath of the attack on the World Trade Center on September 11, 2001, Mayor Rudolf Giuliani stepped in to orchestrate the City of New York's response to the situation. Giuliani rose to the occasion with hands-on, calming, decisive behavior that earned him extremely high marks from citizens and the media. One commentator on National Public Radio said that "it was as if the situation erased all the negative images that had surrounded Giuliani." He had been through a sordid divorce, had been accused of racial slurs, been tagged as "Mussolini on the Hudson," and was in general disfavor. Then, suddenly an event and the way he handled it transformed him into a hero.

Personal Capability

The second important tent pole of leadership is the personal capability the individual possesses (see Figure 3.3). This cluster of abil-

Zenger, John; Folkman, Joseph. *Extraordinary Leader*.
Blacklick, OH, USA: McGraw-Hill Professional Publishing, 2002. p 57.
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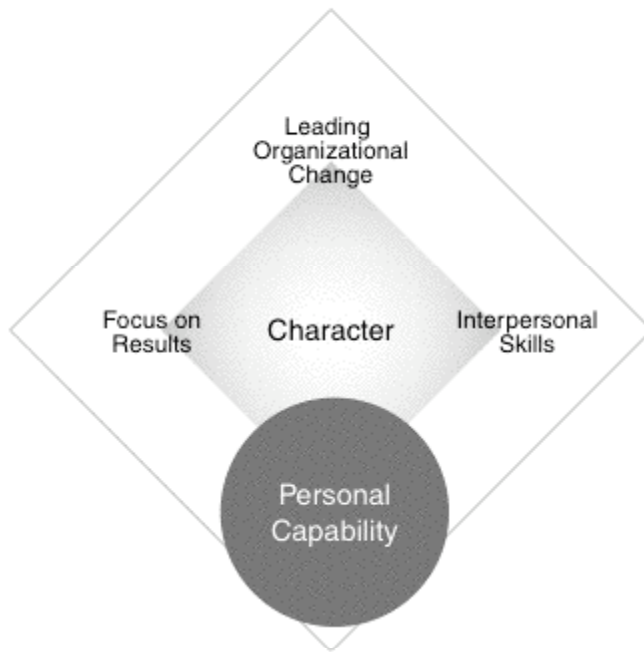


FIGURE 3.3 Leadership tent floor: Personal Capability.

ities comprises skills or competencies that are absolutely crucial for people to be highly regarded by peers, subordinates, and bosses. These are not skills that would typically be described as leadership skills, and yet our research proves they must be in place for any individual to be perceived as a strong leader.

Some of these individual capabilities are:

- *Technical knowledge.* Research with a large natural resources products company showed that the quality or attribute that had the highest correlation with being perceived as a great leader was technical competence. Those who were perceived as the best leaders always scored high on this dimension. Conversely, those in the bottom 10 percent of the overall scores scored low on technical competence.

Zenger, John; Folkman, Joseph. *Extraordinary Leader*.
Blacklick, OH, USA: McGraw-Hill Professional Publishing, 2002. p 58.
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- *Product knowledge.* A thorough understanding of what the organization produces and why it is superior to competitive products.
- *Problem-analysis and problem-solving skills.* The ability to define a problem, analyze it, and come up with solid recommendations for resolving it.
- *Professional skills.* These include the ability to write an intelligent, concise report or memorandum; the ability to comfortably make a compelling presentation in front of a group; and the abilities to organize one's work in an efficient manner, to monitor progress, and to act without being told by someone in authority.
- *Innovation.* This refers to the ability to have a fresh outlook in approaching a problem, to shake loose of old methods and processes and see new possibilities. Innovation means being able to climb out of ruts and do things in a different fashion.
- *Initiative.* This describes the person who sees something falling in the cracks between one department and another, and who immediately steps in to make certain it is handled. It involves volunteering when something needs to be done and no one currently is doing it.
- *Effective use of information technology.* This person sets an example in the consistent use of e-mail, powerful software applications, and any technology that escalates performance.

One of the most useful frameworks by which to understand how people contribute in their careers is the *four stages model*, originally developed by Gene Dalton and Paul Thompson.¹ This model describes four stages of career growth through which people may move. In many cases people become locked into one stage because they do not possess the necessary skills and behavior to move forward. In other cases people stay at a particular stage because it fits their needs and aptitudes. The four stages are:

- Stage I: depending on others
- Stage II: contributing independently
- Stage III: contributing through others
- Stage IV: leading through vision

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Stage I. The first stage of careers has been described as *depending on others*.² In Stage I, people willingly accept direction from others. People in Stage I demonstrate some competency on a portion of a larger project but tend to focus on performing detailed and routine tasks. Stage I individuals show some directed creativity and can be depended on to deliver on time and on budget. Stage I is an important career step. It is that time when people learn the ropes and gain an in-depth understanding of technology and organizational dynamics. Most individuals spend limited time in Stage I at the beginning of their career or when they take on a new assignment. Because the major psychological focus of Stage I is *dependence*, no leadership is exhibited in this stage. People in Stage I are led; they do not lead. Research with hundreds of organizations has uncovered that some people never leave Stage I. They continue to rely on others for direction. Other people make a transition from Stage I early in their careers but then, because they are out of date or lack skills, transition back later in their career.

Stage II. The second stage is *contributing independently*. This describes a series of behaviors that enable a person to assume responsibility for a definable project, not to rely on a supervisor but, instead, to work autonomously. This person produces significant results, and in so doing, develops greater technical expertise, along with a strong reputation. This person also builds a strong network of personal relationships. This stage of career growth is an absolute gateway to further progression. If people cannot perform well in Stage II positions, they cannot move on successfully to roles in which they will be responsible for a group of people.

Having a proper set of personal capabilities is another way of saying that the excellent leader must have moved successfully through Stage II. Leaders cannot skip this stage; if they do, they pay a price as they move upward in the organization and then have to go back and acquire skills that should have been acquired earlier in their careers. This is the time when self-confidence must be developed, and trust in one's own perceptions of situations.

Moving too fast through Stage II is also dangerous. In moving too rapidly, people do not develop self-confidence or build credi-

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bility with others in the organization. Our analysis of the research data on leaders shows that effective leaders learned professional skills during this stage of their careers. Without these skills, further progress is severely limited. Leadership in Stage II is sometimes described as personal leadership.

Stage III. The third stage is about *contributing through others*, and every effective leader of others is at least in Stage III. Many people who have the title of “Manager,” however, are not in Stage III, but remain locked in Stage II, even though they are surrounded by the trappings of a Stage III leader. These are managers who continue to process claim forms, or design a new part, because it is more comfortable to function as an individual contributor than as a leader. Frequently they will “cherry-pick” the best assignments and compete with their direct reports for recognition and rewards. They are unable or unwilling to leave their comfort zone of being personally productive using some technical tasks.

Stage III behavior requires people to develop others, to represent the organization to clients and external groups, and to build strong internal and external networks. Stage III contributors achieve positive results as they work with and through others. They have organizational impact by mentoring others, by heading up a project team, and by taking on responsibility for much more than their own performance. (What this means, of course, is that there are many Stage III people who do not have the words “supervisor,” “manager,” or “director” in front of their names. The creators of this useful framework by which to understand career growth have done research that shows there to be five times as many people in Stage III who do not have a managerial title as there are those who have a formal role and title.)

Stage IV. A small number of people move beyond Stage III and become Stage IV leaders. Research shows that only 5 percent of the working population ends up in Stage IV functions. That means, obviously, that 95 percent of everyone working in organizations ends up having perfectly satisfactory careers without moving to Stage IV. For that group, there is one more tent pole that must be erected to

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TABLE 3.1 “Personal Capabilities” for Stages II, III, and IV

Stage II Contributing Independently (Personal Leadership)	Stage III Contributing through Others (Local Leadership)	Stage IV Leading through Vision (Organizational Leadership)
<ul style="list-style-type: none"> • Knows the job well • Many people seek his or her opinion • Is considered an expert in his or field • Integrates large volumes of data into a logical and coherent structure for analysis • Demonstrates the ability to solve problems under conditions of uncertainty and ambiguity • Creates new opportunities or overcomes obstacles by rethinking situations 	<ul style="list-style-type: none"> • Demonstrates a breadth of technical/functional knowledge outside of his or her core specialty • Is not threatened by the technical competence of others • Clarifies complex data or situations so that others can comprehend, respond, and contribute • Assists others in interpreting and tolerating ambiguous information • Coaches others on how to present interpretive results • Provides support and encouragement to others when they attempt to innovate—even when they fail 	<ul style="list-style-type: none"> • Shapes organization direction to reinforce the continual need for technical excellence • Ensures that the organization has access to technical/professional resources that allow employees to remain cutting edge • Identifies and helps to quickly resolve ill-defined, complex problems that cross organizational boundaries • Requires accurate and crucial information as a basis for sound organization-wide decisions • Communicates the importance of clear, critical thinking in all jobs throughout the company • Fosters an organizational environment that encourages others to question their usual way of looking at things

make them complete leaders. First, let's examine what they must accomplish.

Stage IV leaders are that group of individuals in the organization who:

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- Create the overarching vision for the organization
- Define the strategic direction of the firm
- Exercise strong influence over the critical decisions that are made
- Represent the organization to the outside world, including customers, suppliers, and trade associations
- Are the antenna to the outside world, collecting information and scanning the horizon for change
- Shape the culture
- Allocate resources among competing groups
- Translate the strategic direction into personal objectives for people

For each individual at each stage, leadership looks different. Table 3.1 describes the necessary elements of personal capability for Stage II, Stage III, and Stage IV leaders.

Focus on Results

Our model for effective leadership now takes on a new dimension (see Figure 3.4). It would be ideal if we could erect these next two tent poles simultaneously. These two elements, Focus on Results and Interpersonal Skills, require that Character and Personal Capability be in place, but it appears to make no difference which of these two components comes after that. Indeed, there exists a remarkable relationship between these two components of leadership.

How do leaders focus on results? Here are some of the ways:

- Establish stretch goals for their people
- Take personal responsibility for the outcomes of the group
- Provide ongoing feedback and coaching to their people
- Set loftier targets for the group to achieve
- Personally sponsor an initiative or action
- Initiate new programs, projects, processes, client relationships, or technology
- Focus on organization goals and ensure that they are translated into actions by their department

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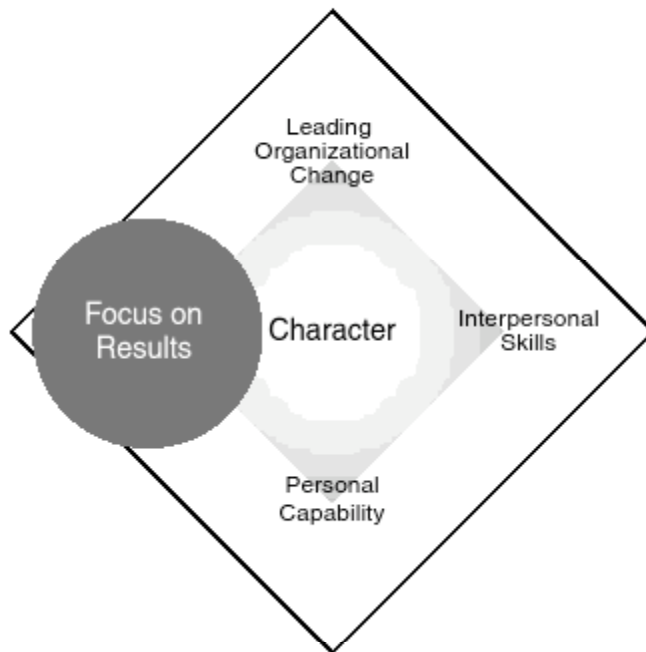


FIGURE 3.4 Leadership tent floor: Focus on Results.

- Operate with speed and intensity; accelerate the pace of the group
- Champion the cause of the customer
- Balance long-term and short-term objectives

Table 3.2 shows how Focus on Results differs for Stage II, III, and IV leaders.

Producing results is a key outcome of effective leadership. As Dave Ulrich, Jack Zenger, and Norm Smallwood noted in their book, *Results-Based Leadership*, leadership is ultimately about producing results.³ What we have described in this section are some of those behaviors, skills, and competencies that lead directly to the production of positive results in an organization. The authors of *Results-*

Zenger, John; Folkman, Joseph. *Extraordinary Leader*.
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TABLE 3.2 “Focus on Results” for Stages II, III, and IV

Stage II Contributing Independently (Personal Leadership)	Stage III Contributing through Others (Local Leadership)	Stage IV Leading through Vision (Organizational Leadership)
<ul style="list-style-type: none"> • Can be counted on to accomplish his or her job without close supervision • Bounces back from setbacks; does not lose confidence or become discouraged • Overcomes difficult challenges that interfere with getting the job done 	<ul style="list-style-type: none"> • Builds commitment in others for their individual and team objectives • Accepts responsibility for the results-based outcome(s) of group efforts • Holds others accountable for results • Promotes a strong, sense of urgency for reaching goals and meeting deadlines 	<ul style="list-style-type: none"> • Establishes key result areas for the organization • Communicates the key or “vital few” performance indicators that measure organizational results • Leads or champions efforts that increase productivity and goal accomplishment throughout the organization

Based Leadership described these as the “attributes” necessary to produce spectacular results.

In one study of just over 1000 managers of a large corporation, we analyzed the behaviors that separated the top 10 percent of their leaders from the rest. Here are some of the items:

- This person brings ideas into action.
- This person pushes to “take the next step forward.”
- This person brings energy, enthusiasm, and urgency to his or her work.
- This person looks for ways to improve his or her job and overall function.

Notice the pattern of taking action, causing things to occur, pushing forward, and continual improvement. The image that comes to mind is a leader in the driver’s seat with his or her foot on the accelerator—most of the time, pressed to the floorboard.

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Interpersonal Skills

The companion set of skills to Focus on Results required for effective leaders is “people” skills or Interpersonal Skills (Figure 3.5). These are extremely important to the success of any leader, especially since the demise of “command and control” styles of leadership. This tent pole, along with the one in the center, supports the most canvas. Interpersonal Skills includes more “differentiating competencies” than any other cluster, and they are the most frequently correlated with all of the other “differentiating competencies.”

What are the specific skills required of a Stage III leader with strong interpersonal skills? Here are the competencies:

- Communicating powerfully and prolifically

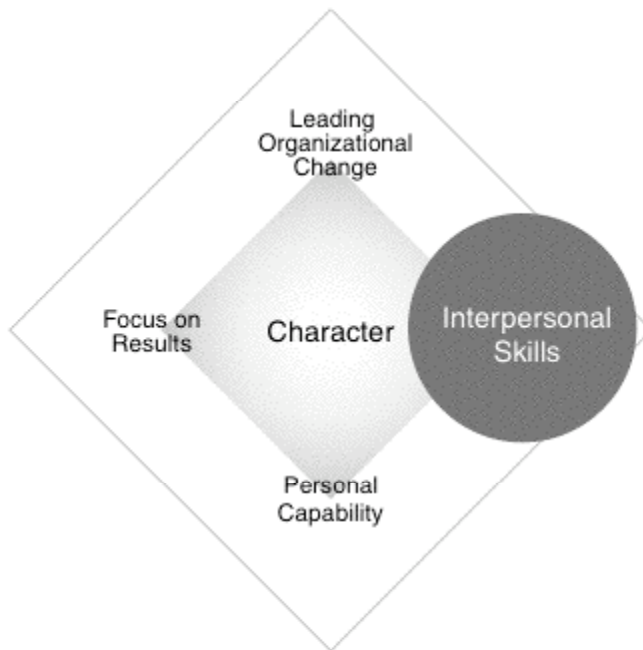


FIGURE 3.5 Leadership tent floor: Interpersonal Skills.

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- Inspiring others to high performance
- Building positive relationships with others
- Developing the skills and talents of subordinates
- Working in a collaborative manner with others
- Being an effective team member
- Recognizing and rewarding the contributions of others
- Being open and receptive to new ideas
- Responding positively to feedback
- Effectively resolving conflicts within their own department, and with other groups outside
- Influencing people upward in the organization, in addition to peers and subordinates
- Building the self-esteem of others, giving positive indications of their ability to succeed
- Teaching others in a helpful manner

Table 3.3 shows how Interpersonal Skills differ for Stage II, III, and IV leaders.

Some writers on the subject of leadership have suggested that interpersonal skills are the major determinant of leadership effectiveness, and that 80 percent of all organizations' lists of crucial competencies for success would be included in the dimension of interpersonal effectiveness. Our data show, however, that if leaders are good only at interpersonal relationships, they again have a fairly low probability of being in the top 10 percent of all leaders in a firm.

The Power of Combinations. From an experience of his professional life, one of the authors recounts the following story. "Upon returning from a trip, I noticed that my administrative assistant had a severe rash on the inside of her arm. We worked for a pharmaceutical company, one of whose specialties was dermatology. I jokingly said, 'Kathy, you aren't a very good advertisement for our products.' She explained that she had been to three dermatologists, who had each prescribed different medications. Nothing had helped. I said, 'Well, we have a consulting dermatologist downstairs who is considered to be one of the best in the world—let's go see him.' So,

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TABLE 3.3 “Interpersonal Skills” for Stages II, III, and IV

Stage II Contributing Independently (Personal Leadership)	Stage III Contributing through Others (Local Leadership)	Stage IV Leading through Vision (Organizational Leadership)
<ul style="list-style-type: none"> • Establishes rapport easily • Is interested in what other people have to say • Adjusts his or her interpersonal approach to meet the interpersonal style and needs of others • Deals effectively with people in order to get his or her work accomplished • Helps others find their own answers rather than telling them what they should do • Considers the opinions of other team members • Challenges proposed team actions in such a way as to create constructive discussion of alternative views 	<ul style="list-style-type: none"> • Represents the work group’s ideas and interests to others • Helps others learn the interpersonal skills needed to network effectively • Encourages people to say what they think • Is generous in recognizing the contributions of others • Demonstrates confidence and trust in other people’s ability • Proactively coaches and/or mentors others • Knows when to let go of the details in order to help others learn from experience • Delegates tasks or assignments that provide developmental experiences • Keeps the team informed about current and upcoming issues • Fosters a climate of trust and respect within the team 	<ul style="list-style-type: none"> • Maintains and utilizes relationships outside the company through which he or she can generate resources or information • Builds and/or supports mutually beneficial relationships with other organizations, professional associations, and community contacts • Actively and generously shares his or her extensive network of internal and external contacts to accomplish organizational goals • Influences or leads organizational efforts (e.g., succession planning, key assignments) that support employee development • Identifies and sponsors developmental opportunities for others that help them gain wide exposure and experience • Models teamwork by working effectively with other leaders in the organization • Plays a leading role in integrating and orchestrating the operations and activities of key business teams

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this eminent dermatologist looked at it, took a culture from it, and when I returned from another business trip Kathy's rash was gone. I asked what had happened, and she said, 'Dr. Scholtz discovered that I had both a fungal and bacterial infection on my arm. The previous doctors had treated one or the other. He treated them both simultaneously and it cleared up.' I learned from this experience that doing two things together can work magic, while doing one alone often accomplishes nothing."

In a study, we looked at managers who were in the top quartile on Focus on Results but were not in the top quartile on Interpersonal Skills. The likelihood of being perceived as a great leader was 13 percent. Contrasting people in the opposite position (e.g., in the top quartile on Interpersonal Skills and not in the top quartile on Focus on Results), there was a 9 percent probability of being perceived as a great leader. When we found leaders who were good at both Focus on Results and Interpersonal Skills, the likelihood of that person being perceived as one of the top 10 percent leaped to 68 percent. This fact powerfully reinforces the idea that effective leaders are not one-celled people, who focus maniacally on just one thing. To the contrary, we have learned that great leaders do many things well.

Steve Frangos described his efforts to transform the black-and-white film division of Kodak in his book, *Team Zebra*.⁴ One powerful message in the book was that success in changing the culture of the organization came from doing several things simultaneously. No one thing, by itself, did much. But the combination of training programs, surveys, team building, quality circles, and coaching initiatives was extremely powerful.

Leading Organizational Change

What are the specific skills required for leading organizational change (Figure 3.6)? Here are the competencies:

- Has the ability to be a champion for change in the organization
- Leads projects or programs, presenting them so that others support them
- Is an effective marketer for his or her work group's projects, programs, or products
- Has a strategic perspective

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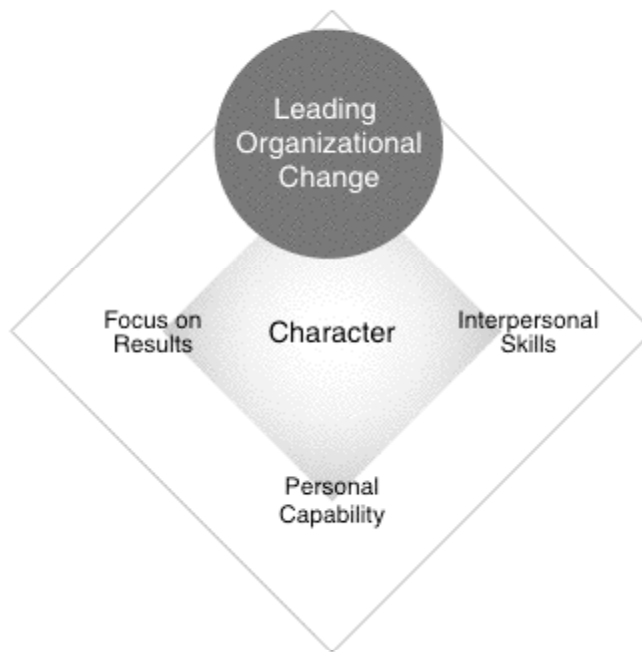


FIGURE 3.6 Leadership tent floor: Leading Organizational Change.

- Knows his or her work relates to the organization's business strategy (line-of-sight connection)
- Translates the organization's vision and objectives into challenging and meaningful goals for others
- Takes the long view; can be trusted to balance short-term and long-term needs of the organization
- Connects the outside world with internal groups
- Represents work group to key groups outside the group or department
- Helps people understand how meeting customers' needs is central to the mission and goals of the organization

Table 3.4 shows how Leading Organizational Change differs for Stage II, III, and IV leaders.

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TABLE 3.4 “Leading Organizational Change” for Stages II, III, and IV

Stage II Contributing Independently (Personal Leadership)	Stage III Contributing through Others (Local Leadership)	Stage IV Leading through Vision (Organizational Leadership)
<ul style="list-style-type: none"> • Is quick to recognize situations or conditions where change is needed • Adjusts work objectives, activities, and tasks to align with and support achievement of change • Aligns his or her business objectives with the organization's strategic plan or objectives • Uses information about the market and competitors to provide input into the organization's strategic planning process • Thinks beyond the “day-to-day” to take a longer-term view of the business • Understands how his or her work relates to the organization's business strategy 	<ul style="list-style-type: none"> • Energizes others to want to change by pointing out the need for change • Encourages people to let go of old ways so the new ways can begin • Helps others overcome their resistance to change • Clarifies how changes will affect jobs, work groups, and/or the organization • Coordinates team and cross-functional activities to assure strategic alignment • Proposes initiatives that become part of the organization's strategic plan • Clarifies vision, mission, values, and long-term goals for others • Consistently communicates “the big picture” business implications to others • Explains to others how the changes in one part of the organization affect other organizational systems 	<ul style="list-style-type: none"> • Energizes others to want to change by pointing out the need for change • Encourages people to let go of old ways so the new ways can begin • Helps others overcome their resistance to change • Clarifies how changes will affect jobs, work groups, and/or the organization • Sets and articulates a compelling vision for the organization • Continually communicates the highest priority strategic initiatives to keep the leadership team focused on the right things • Ensures that all systems in the organization are aligned toward achieving the overall strategic goals • Ensures that the organization has people skills and resources to meet the strategic challenges of tomorrow

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MEASURING YOUR CHANGE LEADERSHIP EFFECTIVENESS

One study we conducted involved the different techniques that leaders use to introduce a specific change into a work group.

Assessing Your Change Leadership Style

Take a few moments to complete the following short questionnaire on your usual approach to introducing a change in your organization.

MAKING TACTICAL CHANGE

Listed below are behaviors describing different approaches a person could use to help create organizational change. Circle the letter beside the action you would most likely take. Even if you were likely to do both, select the one answer that you feel would have the greater impact of a successful change effort.

1. A. Make the tough decision necessary to help implement the changes.
B. Encourage people to express their ideas and opinions about the changes openly.
2. A. Communicate effectively so others see how these changes fit into the picture.
B. Involve people in problem solving and decision making regarding the changes.
3. A. When people are not clear about how to move forward on a change, get them to consider alternative approaches to implementing changes.
B. Actively seek out information about people's thoughts and perspectives regarding the changes.
4. A. Closely monitor, against clear standards, the progress people are making on the change.
B. Seek examples of the impact of the changes.

Zenger, John; Folkman, Joseph. *Extraordinary Leader*.
Blacklick, OH, USA: McGraw-Hill Professional Publishing, 2002. p 72.
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5. A. Let people know clearly what is expected of them regarding the changes.
B. Help people understand the rationale behind decisions regarding the changes.
 6. A. Keep people focused on the changes to be made.
B. Provide support when people take risks making changes, even if they fail.
 7. A. Follow up with people on individual commitments they make to bring about changes.
B. Encourage people to share information about what's working and what's not.
 8. A. Clarify individual tasks and responsibilities associated with the change effort.
B. Find ways to create and utilize development opportunities associated with the change effort.
 9. A. Find ways to push through the changes regardless of unanticipated problems.
B. Encourage people to reveal their true feelings, even on highly emotional concerns regarding the changes.
 10. A. Keep people focused on the changes, despite any frustration or opposition.
B. Ask people to present their point of view even when it differs from your own regarding the change.
- Total "A" _____ Total "B" _____

Count up the number of times you marked answer "A" and answer "B." As you probably already discerned, this questionnaire is measuring two basic approaches to initiating any change.

- The first is directing, monitoring, and pushing to make certain the change process is moving forward in a satisfactory way.
- The second approach describes the way in which the leader creates a climate of participation and involvement for all concerned.

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Blacklick, OH, USA: McGraw-Hill Professional Publishing, 2002. p 73.
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We invite the reader to answer the question, “Which pattern of leader behavior produces the most positive outcomes?”

1. Largely directive?
2. Highly involving and participatory approach?
3. A 50/50 mix of the two?

A: Directing Change

Behaviors associated with directing change are:

- Making tough decisions in a timely fashion
- Providing vision to help employees see how the group's work fits into the big picture
- Monitoring programs against clear standards
- Actively encouraging people to find new and better ways to do the job
- Ensuring departmental/work unit goals are consistent with strategic business goals
- Leading by example
- Monitoring performance against clear standards
- Letting employees know what is expected
- Generating new ideas about how to create the change
- Following up with people to ensure implementation

B: Involving Others in Change

Behaviors associated with involving others are:

- Encouraging people to express their ideas and opinions openly
- Promoting a spirit of cooperation among members of the work group
- Involving employees in problem-solving and decision-making activities that have an impact on them
- Encouraging and facilitating resolution of conflict within the work group
- Actively seeking out information about others' thoughts and perspectives
- Motivating and encouraging employees

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- Providing feedback in a constructive manner (i.e., giving specific examples)
- Helping employees understand the rationale behind their decisions
- Creating development opportunities by assigning appropriate and challenging work
- Providing support when employees take risks, even if they fail

Interpreting Your Scores. This assessment measures your favored tendency when you approach change. It is similar to which hand you favor (e.g., right handed, left handed, or ambidextrous). A score of 6 on either “A” or “B” indicates that you probably have a slight tendency to favor that approach. A score of 7 or more indicates a strong tendency toward that approach. It does not necessarily mean that you would not ever use the other approach, but you would probably lead with your favored actions.

EFFECTIVE LEADERS CHAMPION CHANGE

With most organizations today in a constant state of change—from dramatic growth to downsizing and restructuring—a critical skill for leaders is leading successful change efforts. A turbulent business environment puts leaders to the test: excellent leadership can turn a significant change into a pleasant journey, while poor leadership might be better described as a “trip to hell.”

We know that the best leaders inspire their troops to rally around a change, whereas poor leaders have to push, persuade, or even threaten employees to accept change. Top-performing leaders become effective marketers of projects, programs, or products, gaining support for them along the way. Conversely, poor leaders fail to engage or commit others to the change.

Too Much of a Good Thing

A key learning from our research on leading change was that either of the two approaches actually can be detrimental if used exclusively. Effective leaders used both approaches in a careful balance.

The metaphor that comes to mind is a person rowing a boat. For maximum control and speed, you need both oars. One oar alone causes you to go in circles, no matter which oar you choose.

Zenger, John; Folkman, Joseph. *Extraordinary Leader*.
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For example, while directing may be a great way to maintain control, leaders who significantly favor directing change may end up with employees feeling that changes are being done to them but not with them. Consequently, employees may become resistant to change and begin to distrust management.

Additionally, those who have strong directing tendencies typically have a well-organized plan and communicate the change plan and provide feedback about what needs to be done differently. However, they often fail to have open discussions with their team about the impact of the change.

Those who favor involving others in change often fail to provide enough direction, leaving employees confused about next steps, what their roles are, and what they need to do to keep the change moving forward. Also, a high involvement tendency may indicate an unwillingness on the leader's part to take risks or to take a decisive position.

Our research shows clearly that these two sets of behaviors are both necessary in order for a leader to manage change effectively. Leaders who direct change help their people know the specifics involved in the change. Involving others in the change efforts increases employee commitment rather than emphasizing employee compliance.

The more significant the change, the more of both is needed in order for a change to work effectively. Maybe this explains when a strength becomes a liability: it is when people use it to the exclusion of other balancing skills.

LEADERSHIP AND CHANGE

One of the complexities of leadership is the issue of change. Some have made a compelling argument that what separates "management" from "leadership" is that leadership has to do with change. We have traditionally defined the manager's role as preserving the stability of organizations and leaders as instruments of change. But we agree with John Gardner when he wrote:

Many writers on leadership take considerable pains to distinguish between leaders and managers. In the process leaders generally end up looking like a cross between Napoleon and the Pied Piper, and managers like unimaginative clods. This troubles me. I once heard it said of a man, "He's an utterly first-class manager but there

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isn't a trace of the leader in him." I am beginning to believe that he does not exist. Every time I encounter utterly first-class managers they turn out to have quite a lot of the leader in them."⁵

The bigger issue is that all change is not the same. All change is not created equal.

Tactical Change

For want of better terminology, we describe some change as tactical. For example:

- A new work process
- A higher sales quota
- Moving into a new facility
- Introducing new technology
- Implementing new payroll procedures
- Changing the employee benefit plan
- Introducing a new training initiative
- Revising the compensation plan
- Hiring from the outside to fill positions requiring unique new skills
- Changing the firm's organization structure

Tactical change includes a sales manager implementing new reporting procedures to track sales activity better; or a customer service manager implementing a series of meetings to better inform a group who will be responsible for the implementation of new processes for tracking customer requests and complaints.

Strategic Change

On the other hand, there are strategic changes that we look to leaders to bring about. Included in that category are:

- Creating a new vision for the organization
- Redefining the fundamental focus of the business (changing from a product-focused business to a service business, or from a production capability focus to a consumer marketing focus)
- Orchestrate a new strategic initiative (such as the implementation of Six Sigma throughout the organization)

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- Change the culture of the organization (from a “command and control” organization to one with higher involvement and participation from everyone)

We define strategic change as the change that sets the institution off in a new direction. It means a Kimberly-Clark divesting itself of its forests and production plants and becoming a consumer marketing organization. A commercial bank that changes from a product-focused strategy (a variety of unique products, each driven through a separate department) to a customer strategy (the bank needs to identify the unique needs of different groups of customers and deliver all products through one point of contact with the customer). Strategic change is Ford declaring itself a consumer marketing organization, not a car company.

Strategic and tactical changes are both important. Both are “real” change efforts, but they differ in scope. Strategic change takes the organization in new directions, whereas tactical change targets make the organization perform better in its current sphere.

We conclude that the combination of the four building blocks that have been described so far is fundamentally all that 95 percent of all leaders need. Mixing leadership competencies required by different stages has greatly complicated our understanding of leadership.

Bringing in the leadership requirements of 5 percent of the organization, and stirring those in with the leadership requirements for all the rest, compounds the complexity of leadership research and understanding.

Our objective again is to find the simplicity that lies just beyond the necessary complexity. We hope that by separating out the kinds of change that different leaders must bring about, and by separating them out by stage, we can begin to discover that wonderful simplicity that lies just beyond complexity.

HOW THESE FIVE ELEMENTS OF THE MODEL INTERRELATE WITH EACH OTHER

As we have noted earlier, much of past thinking about leadership has been the quest to find out, “Is the key to leadership having high

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integrity, or is it ambition? Is it developing trust in people, or is it being a good problem solver?" We hope that the reader will be permanently disabused of this thinking, and will cease to view leadership in "or" terms, but will instead think about it in "and" terms. We will attempt to describe why these leadership elements logically go together, and why development efforts in one area is like flooding the pond and lifting all boats at the same time.

1. Character is at the heart of our model, and everything radiates out from it. It ties strongly to Interpersonal Skills. A person of questionable character is not usually effective interpersonally. In eyeball-to-eyeball conversations you cannot help seeing inside the other person. We recoil from phonies. We do not enjoy being with toadies who butter up people in authority and abuse everyone else. Most people avoid those who are arrogant or condescending. Relationships with such people are distant and strained. If someone has broken her word to us, we deal with her in a cautious and tentative way. The link between Character and Interpersonal Skills is an extremely strong bond. So is the link between self-development (personal character) and developing others (interpersonal skills). It is also clear that the ability to inspire and motivate others is strongly linked to how people perceive the integrity of the leader.

We return to the question, "If leaders can be made, then how do you make them?" The linkage between character and interpersonal skills is a good example. Social psychologists confirm that the easiest way to change people's character, as expressed via their attitudes, is by getting them to behave in a new way. People make their attitudes conform to their behavior.

Consider the case of an older supervisor in a manufacturing plant. He has received no training on how to manage people effectively. His behavior is patterned after the way he was treated by his supervisors. When an employee makes a mistake this supervisor chastises him, sometimes in public. Often the erring employee may be threatened with potential discipline or termination if such mistakes continue. If a change needs to be implemented, the supervisor says what must now be done, but with no explanation of why. This supervisor would never solicit ideas

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and opinions from the employee group. Turnover is higher in this supervisor's area, productivity is below average, labor grievances are more frequent, and upper management recognizes that this supervisor must change. But how? Isn't this behavior part of this supervisor's character? Short of extensive psychotherapy, how could this be changed?

Our experience is that the most sure-fire way to bring about behavioral change is to have this supervisor participate in a training process that provides a new mind-set or way of thinking and then teaches new behaviors and skills. The supervisor is not told how he must think and feel, but simply is told that there is good evidence of a better way to behave. He learns how to describe a problem in a calm, rational way to an employee, ask for the employees' ideas about how to solve it, and to agree jointly on the best way to proceed. The supervisor discovers that this works wonders. The same or better results are achieved with a great deal less anger. His relationships with his employees improve significantly. They greet him like a friend, not the enemy. His attitudes toward his subordinates become less adversarial. He is open to new ideas that previously would have been instantly rejected. His character changes. Why? Because his behavior changed, and people make their attitudes conform to their behavior. That principle is extremely well documented in social psychology research. It is also true, however, that it becomes a circular phenomenon. As attitudes improve, behavior begins to change as a result.

2. Character also affects the cluster labeled Focus on Results, but possibly in a less obvious way. People around the leader are often sensitive to perceived motives for doing things. If the focus on results is for reasons of self-aggrandizement, to look good to a boss, to further a political career in the firm, or for any other perceived selfish reason, then personal character detracts from any successful drive for results.

David McClelland, a Harvard psychologist, did extensive research on the need for achievement and its role in people's behavior and effectiveness. His research showed that the success of nations depends on the presence or absence of this need for

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achievement. He developed ways to measure this quality, but many assumed that it was something with which people were born. McClelland decided to experiment with ways to increase people's need for achievement. One test he used was the game of quoits. Quoits is a children's game involving a wooden peg on a base, and several 8-inch hoops of rope called quoits. The game consists of attempting to toss the quoits over the peg from a distance of several feet. Participants were asked to place the peg anywhere they chose in a large room and then get the quoits onto the peg. People with low levels of need for achievement would either put the peg near their feet and drop the quoits onto it, or they would put the peg at a huge distance and fling the quoits toward the peg with little hope of success. People with high need for achievement would put the peg a reasonable distance away, so that a careful toss of the quoits would have a reasonable chance of success. McClelland took the people who had displayed little or no need for achievement, and had them perform this exercise the "right" way. Over time, these people from Third World countries developed stronger motivations to achieve. By giving them an experience in feeling the success of attaining a positive result, their attitudes and character began to change.⁶

3. Personal Capability links to Interpersonal Skills. The respect and esteem with which anyone in the organization is viewed begins with his or her Personal Capability. We noted earlier that it is at Stage II ("contributing independently") that people develop a wide range of personal relationships. The time when people are developing their professional and technical skills is the time when they should also be developing skills that will enable them to work effectively with others. Technical and professional expertise is tightly linked to developing others and building relationships.
4. Personal Capability links to Focus on Results. One of the key roles any leader plays is that of role model. When the leader is personally effective and highly productive, that example is viewed by everyone involved. Leaders cannot ask others to do what they are not doing.

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5. Focus on Results is linked to Interpersonal Skills. We have earlier noted the unusually close link between these two characteristics. Many leaders think that the linkage between Focus on Results and Interpersonal Skills is an *or* rather than an *and*. They believe they can be one or the other but not both. While each is highly desirable by itself, they are like a voice being amplified by a great sound system when they are combined together. The combination of the two ignites a power that catapults a person into the highest realms of effective leadership. Focusing on results and setting stretch goals have multiple links to the interpersonal skills of “inspiring and motivating to high performance” and to “collaboration and teamwork.”
6. Character links to Leading Organizational Change. Organizations follow a leader who is perceived as being of high character. The greater the “connection” that is felt with the leader, the more likely the organization is to support the change being proposed. That support is tied to perceptions of the genuineness, caring, and integrity of the leader.
7. Focus on Results links to Leading Organizational Change. Leading organizational change is most often a long-term objective, and effective leaders are always balancing short-term and long-term objectives. A focus on results is a necessary balance to the longer-term emphasis on strategic change.
8. Interpersonal Skills links to Leading Organizational Change. Nowhere is there a higher requirement for consummate interpersonal skills than in the introduction of strategic change within the organization. Whether it is an attempt to change the culture or to implement a major new initiative, trust from others and the communication skills of the leader are absolute requirements for success.

Zenger, John; Folkman, Joseph. *Extraordinary Leader*.
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