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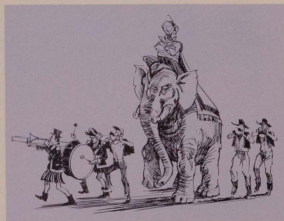
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WHEN ARE LEADERS AT THEIR BEST?

BY JAMES M. KOUZES AND BARRY Z. POSNER

A quiet crusade is changing the way corporate leaders think and act.



Tom Melohn frowns from behind the podium. "What is this?" he asks, as he shows his seminar audience of general managers a large, framed photograph. "What is this?" he repeats, this time with more force and intensity. Again he shows the executives the photograph, which features an old doorway, with paint peeling off of it, a rusted railing, and three broken steps. It is a dark, depressing picture.

Tom paces the room, tapping the glass in the frame. He wants an answer. "What is this, huh?"

"It looks like a closed plant," someone says.

"You've got it! And you've gotta prize." Tom walks over and awards a prize for the right answer.

"Yes, it is a closed plant. The title of the picture is *A Factory Door, Buffalo, New York, 1984*."

"1984!" he exclaims, obviously incredulous that such a factory could exist at all in current times.

Tom continues by telling the seminar group the story behind the photograph. The photographer was driving around Buffalo when he saw the building and decided that the doorway composition would make a "great art" shot. As he was taking the picture, however, he was hassled by some men outside of the plant. They started muscling him, and almost tore him to pieces. The men were on strike.

"And what were they striking about? Higher pay?" Tom questions. "What do you think the photographer said?" He shouts out the answer himself: "Poor working conditions!" He pauses, and catches his breath.

"Let me leave you with this. The CEO in the corner office is making \$500,000 a year. He's got options on a million and two shares. He's got a limousine and a jet; a condo in New York that was purchased by the company because the board thought he needed it to have proximity to his office. He's got his own country estate." Tom shows his disgust, which has turned to quiet anger. He stops and looks around before moving on to his next point.

"I understand the people at our company. Yeah, I understand our employees." He looks straight at the audience.

"Now, don't tell me that your plants are new, and modern, and clean, and painted. That doesn't matter. The point is that every one of your people has to walk through that door every day or every night for 30 years and they're doing the same job over and over and over."

Tom pauses. There's a tear in his eye. With the power that comes only from a man with deep conviction, he concludes: "Most men lead lives of quiet desperation. Don't forget it."

Tom Melohn, you see, is "on a crusade." A crusade "to help change the next generation of *Fortune 500* leaders." And who is this crusader? In his biography he describes himself as "Head Sweeper, North American Tool and Die." Actually, Tom Melohn is co-owner, president and chief executive officer of that San Leandro manufacturing company.

“Leadership is not the private reserve of a few charismatic men and women.”

He is also a man with a dream, a man who cares about people, and a man who acts on his beliefs. He is a leader.

There are many other leaders like Tom Melohn in the world of business, and this article is about them. It is about how ordinary people get extraordinary things done in organizations. It is about a revolution in leadership style.

When Leaders Do Their Best

During the last 18 months, we have asked more than 300 managers and executives to describe one leadership experience in their careers when they thought they had performed at their *personal best*; when everything seemed to come together and they did the very best they had ever done as a leader of a group of people.

The cases we collected are extraordinary. Tom Melohn's case, for example, details the sales growth of his firm, NATD, by a factor of 5, increasing pre-tax profits by 750 percent, reducing turnover from 27 percent to 4 percent, and decreasing the reject rate from 5 percent to 0.2 percent.

In the case of another company, productivity improved 400 percent; and in another, quality improvements moved products from last to first on a customer's vendor list. There were start-ups of new businesses, developments of revolutionary new products, and phenomenal positive shifts in employee morale.

In the not-for-profit and public sectors, we learned of a model educational assistance program, the establishment of a unique drug counseling center, the planning of a highly successful association conference, and an award-winning U.S. Army unit.

As we examined these tales of accomplishment, mixed with pride, joy, awe and gratitude, a consistent pattern emerged, regardless of the industry, the person, or the situation.

Leadership, we concluded, is not the private reserve of a few charismatic men and women. It is a process that any manager can learn, to bring forth from others the very best they can be. It is best defined by sociologist Vance Packard: "Leadership appears to be the art of getting others to want to do something you are convinced should be done."

The key words in this definition are "want to." Most managers, parents, teachers, politicians, or other persons in authority can get anyone to do something. The promise of a reward or the threat of a punishment, if strong enough, is sufficient to get most everyone to do things. But getting others to *want* to do something involves an entirely different way of thinking and acting. It is this subtle, but crucial, difference that distinguishes a leader like Tom Melohn from a non-leader.

Places We Have Never Been

Leaders are people who take us on journeys to places we have never been; they lead us toward distant heights, whether those heights are social, economic, political, technological, educational, personal, or artistic. That is certainly what Tom Melohn is able to do, along with the 300 other leaders in the cases we examined.

What does it take to get a person, by the force of his or

her own free will, despite potential risk and hard work, to want to climb to the summit? In our study, the ordinary executives who convinced others to join them on pioneering journeys followed the path of a three-phase strategy. We refer to it as the *VIP Model of Leadership: Vision — Involvement — Persistence*.

First, when people described their personal best leadership experiences, they told of times when they imagined exciting, highly attractive futures for their organizations. They had *visions* and dreams of what could be. They had absolute and total personal beliefs and they were confident in their abilities to make extraordinary things happen.

Second, these leaders recognized that grand dreams do not become significant realities through the actions of a single leader. They knew that scores of people were needed to create, produce, sell, and sponsor the vision. The *involvement* of many others is key to making it all the way to the top.

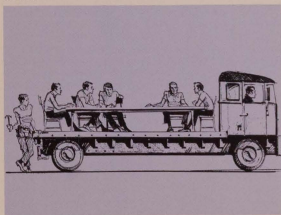
Finally, our sample of leaders acted on their wise understanding that new tomorrows are not realized without hard work and *persistence*. The personal best projects were distinguished by the fact that all of them required relentless effort, willpower, steadfastness, competence, planning, encouragement, attention to detail, and perseverance.

As we looked deeper into this dynamic leadership process, we discovered that at their best these leaders had a set of six guiding practices in common: They all had:

1. Prepared for opportunities
2. Envisioned the future
3. Inspired a shared vision
4. Enabled others to act
5. Directed the course of action
6. Encouraged the heart

When Opportunity Knocks

Opportunity is an open door. The question for those who want to lead is: "How ready are you to step through the door when your chance arrives? Are you ready to embrace that moment when favorable winds blow open the door of golden dreams?"



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Preparing for opportunities is an active, not a passive process. While many of our leaders attributed their success to "luck" or "being in the right place at the right time," none of them sat idly by or waited for fate to fall upon them. Although the distinctive competencies of a person may fit the needs of the moment, those who lead others to greatness are mentally, emotionally, and, if necessary, physically ready to meet the challenge.

An essential part of preparing for opportunities is staying in touch with the world around us. Ann Bowers, former vice president of human resources at Apple Computer and now a principal in Enterprise 2000, puts it this way: "People who get extraordinary things done are always out and about." Leaders constantly learn about their customers' and employees' needs, about changing technologies, and about their competition. They ask a lot of questions, listen to other people, and ask for advice. So when they are given or invent a challenge, they are ready to take it on.

"You have to challenge the process all the time," says Larry Evans, vice president of manufacturing at Tandem Computers. Renn Zaphiropoulos, president of both Versatec, Inc., and Xerox's Information Products Division, similarly states, "We love to see a difficult challenge." Every case we collected about leadership personal bests involved some kind of challenge. It may have been an innovative new product, a reorganization, a turnaround, but regardless of the case, it involved a change from the status quo. It makes sense, then, that another part of preparedness is being ready to accept the challenge of change.

Innovation, according to Bob Metcalfe of 3COM, "requires gambling and risk-taking. We tell our folks to make at least ten mistakes a day. If they're not making ten mistakes a day, they're not trying hard enough." Joe Sparagna, vice president at ESL, says: "Leadership requires personal risk, willingness to risk making a mistake." Those who want everything to be right the first time will never take the risk of innovating.

If this seems like foolish advice, just recall the times you have tried to play a new game or a new sport. Did you get it absolutely perfect the first time? Probably not. Experimentation, innovation, and change all involve failure and risk.

It would be ridiculous to state that those who fail over and over again eventually will succeed. Success in business is not a process of simply buying enough lottery tickets. The key that unlocks the door to opportunity is learning. Warren Bennis, a distinguished professor from the University of Southern California, tells us that the successful leaders he has studied regard almost "every false step as a learning opportunity, and not the end of the world."

Seeing Across the Horizon of Time

Bob Swiggett, chairman of Kollmorgen Corporation, is very straightforward about the job of a leader. It is, he says, to create a vision. Henry Boettinger, formerly an executive with AT&T, says prophetically, "If a manager loses heart and does not follow any dream or vision, the organization is doomed."

In our study, we found that leaders spend considerable effort gazing across the horizon of time, imagining what it will

be like in five, ten or 20 years. They *envision the future* as it might become, and, through this process, create new vistas. Leaders look up and out, not down and in. As Alan Kay, a fellow of Apple Computer, expresses it: "The best way to predict the future is to invent it."

It is as if leaders live their lives backwards. They see pictures in their minds' eyes of what the results will look like, even before they have started the projects. This clear vision of the future, then, seems to propel them forward.

John Sculley, president of Apple Computer, stated recently: "Our dream is to change the world. Now that's a pretty bold dream, but if you are going to have dreams, you might as well have bold ones." Sculley's comment illustrates a vital aspect of visionary leadership. It is always about changing the world in some way. The world may be the world of the home, the office, the company, the nation, or even the planet, but at the core of a leader's vision is some positive conviction that life can be made better by taking a new path.

Sam Boyd, a manufacturing manager at Tandem, revealed another critical element in the leadership process. He believes that "the first step you need is a basic philosophy of what you want." Exceptional leaders are extremely clear about their business beliefs—their leadership values—and they are very willing to stand up for them. Tom Melohn, for instance, publicly preaches his philosophy. "I want to manage the way I want to be managed: Let me grow, let me create, let me make my own mistakes."

It turns out, then, that establishing a few fundamental values is essential to achieving excellence. Values act as a creed that can be used as a guide in decision-making. Twenty-one-inch-thick policy manuals are insufficient decision tools. After all, how many can recite all of the laws of the United States? So what holds people together? It is their unshakable belief in a few simple, honest and superordinate values that, despite differences, bind them together.

Sandra Kurtzig, president and founder of ASK Computers, says, "You have to focus." A clear vision and a strong sense of values give leaders that focus.

Uplifting People's Spirits

At a staff meeting led by Phil Turner recently, when he was manager of U.S. Facilities for Raychem, he articulated his "vision" for U.S. Facilities: "We are a department that uplifts people's spirits."

Phil's vision, though simple, is profound. For it is lifting people up from their present plateau to loftier heights that sharply differentiates the best leaders from the also-rans. Managers with future visions and healthy values must also be able to *inspire a shared vision*. Leaders breathe life into visions; they make them come alive to others. Others can share the vision, the dream, as their own only when they can imagine themselves living it. Commitment cannot be commanded. It can only be inspired.

To enroll people in a vision, a leader must "know your followers and speak their language," according to Bev Scott, organization development manager at McKesson. People must believe you understand their needs and have their best in-

"It is perhaps ironic that in this high tech world, low tech practices are what make things happen."

terests at heart. The visions and values must also create within people a new sense of meaning about life. "More of the same" statements are not uplifting.

There is an old Texas saying that "You can't light a fire with a wet match." Leaders cannot ignite the flame of passion in their followers if they themselves do not express enthusiasm for the compelling vision of their group. Diane McIntyre, special programs manager of the American Electronics Association, offers this prescription: "Enjoy what you are doing and communicate that enjoyment." Person after person in our study reported they were incredibly enthusiastic about their personal best project. Their own enthusiasm was catching; it spread from leader to followers. The leader's own belief in an enthusiasm for the vision is the spark that ignites the flame of inspiration.

To enable others to see, hear, and feel the vision, leaders make extensive use of metaphors, analogies, examples, and stories. It is similar to what people do before setting out on a journey to a strange place. They look at maps and

guidebooks and talk to others who have been there in order to get a feel for the place, an image of what it will be like. Leaders act as artistic guides, asking each to personally imagine how enriching and exciting the future will be.

People, however, will not believe a would-be leader unless that person is a credible source. Barry Posner and Warren Schmidt found, in a study of 1,500 managers across the United States, that the most important attribute of admired leaders was honesty. In a related study we conducted in Silicon Valley, we discovered that the most important characteristic people want in a chief executive officer was personal integrity and honesty. Enthusiasm and story-telling by themselves were not enough. Irwin Federman, president of Monolithic Memories, reinforces the essential element of effective communication when he states, "Honesty will do the trick."

Teamwork Wins Championships

But leaders do not achieve success by themselves. "You asked me to talk about *my* personal best. I can't do that," Bill Flanagan, director of manufacturing at Amdahl, explained. "It wasn't me. It was us!"

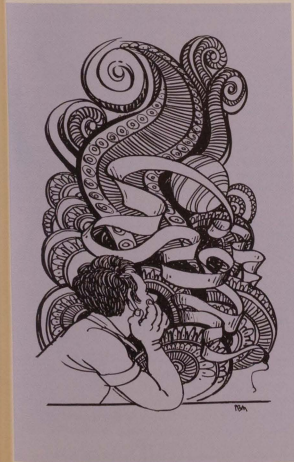
After reviewing 300 personal best cases, we have developed a simple one-word test to detect whether or not someone is on the road to becoming an admired leader. That word is "we." As Ray AbuZayyad, vice president of IBM's General Products Division and San Jose Site general manager says, "You can't do it all by yourself. You must have a team."

Exemplary leaders enlist the support and assistance of all those who must make the project work. They involve, in some way, those who must live with the results, and they make it possible for others to do good work. They encourage collaboration, build teams, and empower others. They *enable others to act*.

One anecdote makes this point well. When Versatec needed a table for its conference room, instead of buying one, Renn Zaphiropoulos invited his managers over to his house to build one. In his garage on a Saturday they built a 21-foot-long teakwood conference table, hauled it to the company on a flatbed truck, and carried it up two flights of stairs to the conference room. This off-line camaraderie illustrates the family-feeling that typically develops among highly committed, productive groups.

This sense of teamwork goes far beyond the leader and his or her immediate subordinates. It includes peers, superiors, customers, suppliers—all of those who must support the vision. Rosabeth Moss Kanter, a Yale professor, confirms this in her research on successful innovations inside large corporations. In her book, *Change Masters*, she reports, "The few projects in my study that disintegrated did so because the manager failed to build a coalition of supporters and collaborators."

The effect of enabling others is to make them feel strong, capable, and committed. Those in the organization who must produce the results feel a sense of ownership. They feel empowered, and when people feel empowered, they are more likely to use their energies to produce extraordinary results.



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The Only Magic

At the 1983 Faculty Convocation at the University of Santa Clara, the president, Father William J. Rewak, S.J., spoke eloquently about the anticipated changes in the campus. Near the end of his speech, he said: "Vision needs management, electricity, and concrete." Grand dreams, he reminds us, cannot become significant realities with élan and spirit alone. Leaders also must have detailed plans. They must steer projects along the course, measure performance and take corrective action. The conventional management tools are certainly essential.

Yet, there is an even more demanding leadership task if a person is to *direct the course of action*. The leader must lead by example.

Irwin Federman puts it this way: "Your job gives you authority—your behavior earns you respect." While managers appraise their subordinates, subordinates also appraise their managers. The test used is a simple one: "Does my boss practice what he or she preaches?" Managers may speak eloquently about vision and values, but if their behavior is not consistent with their stated beliefs, people ultimately will lose respect for them. It may be best to take the advice of Frank Ruck, formerly an officer at Chicago Title and Trust and now an entrepreneur, who says of his leadership style: "I began by adopting a role model that exemplifies the organizational and management values I believe are important."

Being a role model means paying attention to what you believe is important. It means showing others through your behavior that *you* live your values. Tom Melohn, for instance, believes he should "share whatever wealth was created" at his company. So, he and his partner, Garner Beckett, give each employee shares of NATD stock each year, according to these simple criteria: the employee must be at least 24 years old, work a minimum of 1,000 hours a year, and be on the payroll at the end of the year.

Tom Peters, coauthor of *In Search of Excellence*, summarizes this practice superbly when he says, "The only magic is brute consistency, persistence, and attention to detail." Leaders are consistent with their beliefs, persistent in pursuit of their visions, and always vigilant about the little things that make a big difference.

Trust and the Golden Rule

Each spring at Versatec, a medium-sized manufacturer of electrostatic printers and plotters, about 2000 non-managerial employees come together to receive annual bonuses. In 1983, Renn Zaphiropoulos, the company president, arrived at the celebration dressed in a satin costume, riding atop an elephant, and accompanied by the Stanford Marching Band. The previous spring, Renn had made the profit-over-achievement announcement somewhat less dramatically: He sang a country and western song which he composed himself.

The climb to the top is arduous and long. People become exhausted, frustrated, and disenchanted. They often are tempted to give up. Leaders must *encourage the heart* of their followers to carry on. With elephants and songs, Renn gives heart to his people so they will continue the journey.

Of course, it is not necessary to be that dramatic to offer

encouragement. Simple things can create similar reactions. Larry Frost, senior vice president of Crocker Bank, put a bell in the middle of the office. Every time someone made a loan, he or she got to ring it. Soon, he says, the bell was ringing all the time. Sue Cook, manager of employee development at Apple Computer, gives out stickers, T-shirts, apples, and buttons when people make an extra effort. At Mervyn's, Chairman Jack Kilmartin and all other executives send out note cards that have "I heard something good about you" printed at the top. They are sent not just to other officers, but to clerks, buyers, trainers, and other line employees. Tom Melohn, a crusader-president, wears pink, yellow, and green golf pants to work. His people love it!

Mel Bosch, a general manager at Dataproducts, sums it up well: "People just want to be winners." People don't begin each day with a desire to lose. It is part of the leader's job to show them they can win.

These actions come from the heart when the person is being consistent with his or her beliefs. The examples are not just new tricks in a game to get others to produce slavishly. They are genuine acts of caring.

The message is simple. "We preach trust and the Golden Rule," says Bob Swiggert. "We create an atmosphere of complete trust," declares Tom Melohn. Irwin Federman offers this description of the climate a leader creates: "By trusting someone you invest in him a dignity, a self-esteem, which cannot be purchased with money."

It is perhaps ironic in this high-technology world that low-technology practices such as trust, respect, caring, and the Golden Rule are what enable people to make extraordinary things happen.

Love

There is one final element of encouragement, though, that may be the key to it all. Over and over again in our study we heard phrases like this one from Jim Pinto, president and founder of Action Instruments: "The whole ethos is based on the idea that love is a better motivator than compulsion." Bill Gore, chairman of W.L. Gore and Associates, says, "It's better to use friendship and love, than slavery and whips. The results will always be much better."

In response to our question about why he works as hard as he does, George Gannanin, owner of Star Graphics in Palo Alto, says, "I love to turn the key in the door and put on the coffee pot." Wayne Rosing describes one of the development projects he worked on at Apple as "a labor of love." And Edna Larsen says of her Avon sales people, "I love every one of them. They're just beautiful people!" Love! It may just be the best kept secret of successful leaders.

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