

## The Winds of Change

Imagine the last time you went to an event or party. You strike up a conversation with someone you don't know. If you are like most people, after the initial back and forth, you ask, "So, what do you do?" This innocuous question naturally elicits an impersonal title, a description of work activities, and the mention of accomplishments.

What if you asked instead, "Who are you—what's important in your life?" This is a question we rarely ask, maybe because it is so personal. And that is precisely our point. In this book, we would like to make the case that what is most personal to people and their leaders is at the heart of their health and happiness. When it's neglected, it can be the source of major problems in business and society. To explain this further, let's first talk about the consequences.

We are in the middle of a crisis. The winds of change are flaming both a personal and public emergency in leadership. Just think about your life and your world: The debt crisis. The obesity epidemic. Stagnant growth. Climate change. Tax reform. Rampant foreclosures. An archbishop arrested. Product recalls. Indicted

CEOs. Adultery in the military. Scientific forgery. Childhood malnutrition. Crisis management. Doping allegations. Ponzi schemes. Business bankruptcies. Medicare fraud. Gun control failures. Bargaining deadlocks. Environmental disasters. Executive terminations. You get the picture.

These winds are coming at us from all directions. Many of our so-called leaders are having trouble leading under these conditions. They feel tossed and turned by the wind, afraid of taking responsibility, being wrong, missing opportunities, or searching for a way out. They may be getting pummeled by violent turns in the economy or dramatic shifts in the global marketplace. Or they may be feeling a change in atmospheric pressure inside themselves. Turmoil of doubt, uncertainty, or stress could be besetting them personally as well as professionally. You may be that leader.

Turbulent winds are unnerving because they have a huge capacity to destroy. They alter landscapes, their paths are unpredictable, and their gusts can demolish everything in the way. This is the climate that you're facing today as a leader. Whether you lead a multinational conglomerate, an entrepreneurial start-up, or a modest-size non-profit organization, you are encountering forces of change that are as dramatic and potentially life altering as any violent storm.

All of us trying to lead a team or organization today are being thrust into survival mode, tapping into our natural state of "fight or flight" and habituating to a level of turmoil rarely experienced in our lifetime. As the winds intensify, our need to protect and prove ourselves becomes greater. Many of us slowly lose our inner strength. Beneath the winds is a pervasive atmosphere of fear. People are afraid of losing their jobs, of economic collapse, of not growing fast enough, or any number of vulnerable scenarios. As we explain a bit later, this fear can derail individuals as well as entire organizations.

It's likely you already have encountered the winds of change as they are impeding your progress and maybe even jeopardizing your career or company. We at Healthy Companies have found that leaders at all levels, across all industries and sectors, and around the world are buffeted from every direction by six forces: the speed of change,



Figure 1.1

impermanence, demands for transparency, complexity, intense competition, and a new world order of global interconnectedness.

## BUFFETED FROM EVERY DIRECTION

One of the more powerful forces is **speed**—people can't keep up with the pace of change. The world is changing faster than our ability to evolve, raising the question, How do we keep up while maintaining the ability to balance our lives and bounce back in the face of adversity? The marketplace is changing, workers are changing, product cycles are changing, even the nature of business is changing. Here are some dramatic examples: one in four workers today has been at his or her current company less than a year;<sup>1</sup> ten years ago, Facebook didn't exist; ten years before that, we didn't have the Web. And Google's CEO Eric Schmidt predicts that by 2020, the entire world will be online. If you happen to be in the technology sector, you are being truly whipsawed. Apple offers this head-turning nugget: roughly 60 percent of its revenue is currently generated by products that are less than four years old.<sup>2</sup> Some of us, especially those who are perfectionists, try to keep pace with everything while getting

everything just right. This unreasonable standard makes it impossible to stay agile, and eventually leads to burnout.

Another force is the constant state of **impermanence** and instability. You are probably wondering—how can you move forward while staying grounded in the middle of all that’s unpredictable? Jobs no longer last a lifetime, and even universities are doing away with tenure. Uncertainty is the new normal. Trend watchers predict that children in school today will have ten to fourteen jobs by age thirty-eight.<sup>3</sup> No segment of business is immune from insecurity. Turnover among managers and CEOs has been rising. In 2011, more than 14 percent of the CEOs at the world’s largest companies were out.<sup>4</sup> Companies like Yahoo, with three CEOs in three years, are no longer unusual. For many of us, our natural reaction to uncertainty is to resist change. However, letting yourself be driven by fear, denying the realities around you, or trying to control the unknown only undermines your confidence.

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The greatest challenge we all have, and it seems to be coming at us at a faster clip, is information. And we have to be able to hear it, absorb it, truly listen to it, react to it. It’s daunting.

—**Jim Wainscott**, CEO, AK Steel Holdings<sup>5</sup>

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**Complexity** in the business world is also adding pressure to your job. We often hear this question: How do we navigate the intricacies of work while defining, prioritizing, and focusing our leadership? Everyone loves gee-whiz technology, but it has become a double-edged sword for many. On the one hand, it has enhanced communications, manufacturing and design, and workplace efficiency; on the other hand, it is a relentless taskmaster. Business leaders often struggle to keep up-to-date with its uses and stay on top of its applications. One facet of complexity is an explosion of information. Today’s business leader must juggle mountains of news and facts. Every eighteen months, according to one global survey, the world’s volume of data

doubles.<sup>6</sup> Some of us react to this complexity by oversimplifying the world, reducing complex issues into smaller parts while failing to see the big picture. Others overcomplicate the situation and lose their ability to focus and prioritize.

At the same time, you are facing increasing demands for **transparency**, along with more scrutiny and a greater need for integrity and accountability. Regulations are demanding it, consumers are demanding it, and employees are demanding it. JPMorgan Chase CEO Jamie Dimon had to explain and offer copious mea culpas for company trading losses, not only to federal regulators and investigating committees on Capitol Hill but also to the public at large.<sup>7</sup> Not so long ago, a company's internal financial activities were considered confidential and private. Today's attention on a company's activities and the decisions of its leaders has been intensified by social media and the ubiquitous cellphone camera, which guarantees that little a leader does goes unnoticed or unreported. And when something does happen, word gets out fast. Consider this: more text messages are sent and received in one day than the number of people on the planet.<sup>8</sup> All this raises the question, How do you maintain genuine openness while safeguarding your business and yourself?

In this environment, your natural reaction may be to hide and build a moat around yourself. But by isolating yourself you exacerbate the problem by generating suspicion, alienating people, and interfering with your ability to inspire others.

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One of the biggest problems in our society is the level of mistrust and cynicism, which is at an all-time high.

—**Frances Hesselbein, past CEO of Girl Scouts and Peter Drucker Foundation**<sup>9</sup>

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A common question raises the next force: How can you ensure a healthy bottom line and pursue profits in the context of inspiring meaning and purpose? Almost every leader must contend with

intense **competition**, and it can come from anywhere and at any time. In recent years, the playing field has begun to tip in favor of non-U.S. companies. Chinese enterprises are challenging U.S. businesses at every turn. The fact that China's annual GDP has been averaging 10.5 percent over the past ten years, compared with 1.7 percent in the United States, only highlights its powerhouse status.<sup>10</sup> Perhaps no other industry has felt the lash of global competition more than the auto business. Once-dominant automakers are fighting to hold on to market share. General Motors a few decades ago owned half of the domestic U.S. car market; it now is battling to keep 20 percent. When London's *Financial Times* first began tracking top business schools around the world, twenty of the top twenty-five were in America. Now, only five are in the United States. Some of us deal with this competition by becoming obsessed with winning and losing. Being driven by competitiveness at any cost will preoccupy you with short-term results at the expense of creating long-term value, and you may even lose yourself in the process.

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There are two kinds of people, those who do the work and those who take the credit. Try to be in the first group, there is less competition there.

—**Indira Gandhi, late former Prime Minister of India**<sup>12</sup>

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You have probably wondered, “How can we succeed individually while thriving as one planet and global society?” This often-heard question goes to the heart of the final trend: the **globalization** of markets, people, and communities. Work and business are no longer local. If you have a website, you are part of the global economy. Further, work is no longer a means to an end but has been woven into our lives and lifestyles. Both leaders and employees want more from their daylight hours. They want a sense of purpose and community on top of the satisfaction of doing a good job, making money, and building something that lasts.

A sign of this force is the changing workplace. People are demanding the freedom to work wherever they like, whether they are blogging from the back of a camel or crunching data on their laptop on the back porch. Some companies are eager to accommodate their higher-purpose-driven employees. In a survey involving more than 4.5 million employees, almost half of their companies were beginning to offer alternative work arrangements.<sup>13</sup>

Another sign of this force is the rise of corporate social responsibility and what's called "ethical consumerism," such as buying green and building sustainability into your products and footprint. In Great Britain, before the recession, ethical consumerism was rising at a compound rate of 19 percent a year, which was three times faster than the overall economy.<sup>14</sup> No longer can you act as if only you matter in the world. Doing so will not only impede your happiness but also alienate you from the rest of the world.

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Any time you have rapid change, it's destabilizing and you look for your roots. And when the financial markets collapsed, all of a sudden, all these things people had come to believe they started to question. And it has this sort of spiral effect.

—**Ted Mathas, Chairman and CEO, New York Life**<sup>15</sup>

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None of these forces are developing in isolation, and many of them are not new. Indeed, some leaders are energized by the positive impact of many of the forces. But today they are creating a confluence of enormous power, and leaders are caught in the middle. Numerous CEOs and executives have told us that they feel stretched and inundated like never before. Even though stress, demanding workdays, and a steady stream of problems are standard fare for executives, the force and pace of these demands have become unrelenting. Leaders are juggling the best they can, but many see that their results are falling short.

## FINDING A SOLUTION BY DIGGING DEEP

We at Healthy Companies have been looking for more than twenty-five years at the challenges leaders have been facing—conducting ongoing research, advising, and talking to leaders around the world. We have interviewed more than five hundred CEOs in forty-five countries. Along the way, we have written five leadership books highlighting some of our findings. In *Grounded*, we bring together all these findings to present a comprehensive and highly personal solution to the leadership crisis.

Our approach to learning what makes a successful leader has taken a unique tack. We have been delving into leadership qualities that have been overlooked or discounted. Rather than examining only performance and profit metrics, we have focused more on the leaders themselves. With hard data as evidence, reinforced by extensive one-on-one interviews, we have been able to delineate what makes an extraordinary leader. As you will find here, we have tried to peel back the layers of leadership to understand what drives great leadership at any level of organizational life.

In the course of our research, we made remarkable discoveries. Leaders who are truly healthy in all senses of the word are evolved human beings *and* extremely effective leaders. As we dug deeper into the qualities that make up this healthy leader, we unearthed three unequivocal truths. These findings form the themes and substance of *Grounded*.

### Who You Are Drives What You Do

This finding is deceptive because the “Who you are” part is complicated and has layers of meaning. It also turns on its head the traditional idea of leadership being all about action and doing. We found quite the contrary: quality leadership stems not from what a person does but who that person is inside himself. Meaningful actions can take place only after a person has looked deep inside himself and knows what he’s all about. “Who you are” refers to individual aspects of you as a person, or what we call your “healthy roots.”



These roots consist of your physical health, emotional health, intellectual health, social health, vocational health, and spiritual health.

In the rest of Part One, we provide context and a high-level view of the roots in defining who you are. We also share supporting science here and throughout the book to confirm this shift in thinking. Finally, we discuss how these roots inform our second finding: for a completely healthy self, a leader needs to develop subroots within each root. This makes you grounded.

### **Who You Are Is Grounded in Your Healthy Roots**

“Health” is the key word here, and one that many leaders overlook. Too often, people consider intelligence or experience or other qualities, such as connections and who you know, to be the secret to successful leadership. These qualities are essential, no doubt about it. However, they are just parts of the bigger picture and what constitutes “Who you are.”

In Part Two, we discuss our findings in regard to what healthy roots are made of, and we offer suggestions for how you can strengthen them, advice on how to avoid pitfalls, and stories of leaders who have mastered these qualities in their own professional and personal lives. Each chapter focuses on individual, distinctive qualities. In the chapters on physical health, you read about body-mind awareness, energy management, and a peak-performance lifestyle. The chapters on emotional health highlight self-awareness, positive emotions, and resilience. The chapters on intellectual health cover deep curiosity, an adaptive mindset, and paradoxical thinking. In the chapters on social health, you will read about authenticity, mutually rewarding relationships, and nourishing teams and communities. The heart of vocational health consists of having a meaningful calling, personal mastery, and a drive to succeed. Last but not least, in the spiritual health chapters are descriptions of what it means to have a higher purpose, global connectedness, and generosity of spirit. All together, these roots lead to our third finding that the healthier a leader is, the better she will perform.

## Healthy Leaders Build Teams and Organizations That Outperform

This third finding speaks to the outcomes and benefits of having healthy roots. With healthy roots, leaders not only are more fulfilled and reach their potential but have an effect on other individuals and organizations. Our data show that leaders with vibrant, healthy roots have a positive impact throughout organizations. They motivate people around them to perform at their best, and they inspire companies and even the communities in which they operate to benefit the greater good. Along the way and not incidentally, their healthy leadership has been shown to produce tangible results in a company's operations and bottom line.

Part Three, Putting Leadership into Action, reveals the ways in which leaders' healthy roots affect how organizations excel. Each chapter highlights a leader whose healthy roots have enabled him or her to outperform in a distinctive way. These leaders tap into a higher purpose, forge a shared direction, unleash human potential, foster productive relationships, seize new opportunities, and drive high performance.

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Before we dig into how individual roots contribute to a leader's performance and what you can do to nourish your own roots, we need to step back. In the next chapter, we look more closely at what the winds of change are doing to your personal leadership and offer a perspective for understanding the ways you respond.