

## Chapter 1

# The Promise of Leadership

### *Meeting the High Bar of Expectations*

When we step into positions of leadership, we make a whole set of promises we may not know we are making. These promises are profound and come in the form of high, often unspoken expectations. Understanding, managing, and living up to these promises defines our leadership.

We all expect great things from our leaders, and these expectations constitute the *Promise of Leadership*. Leadership expectations come in two forms:

1. **Explicit:** Expressed expectations for certain outcomes that come with the role and that show up in the leader's job description (things like fiscal responsibility, accountability, strategy, and execution).
2. **Implicit:** Unspoken expectations that stakeholders have of their leaders (things like competence, fair treatment, commitment, engagement, listening, acting on suggestions, and providing inspiration, meaning, and direction). Leaders rarely understand the impact these implicit expectations have on their perceived effectiveness.

Stakeholders judge their leaders' effectiveness on both explicit and implicit expectations, even if these expectations are unrealistic or not understood. When you take on a leadership role, followers silently believe and expect that *you will fulfill both my explicit and implicit*

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*expectations*. However, since these expectations are sometimes unrealistic and often unexpressed, leaders may feel that they are set up to fail in their efforts to fulfill the perceived Promise of Leadership. Leaders succeed or fail depending on whether or not they clarify role expectations and keep their promises. Organization success or failure likewise depends on leaders fulfilling the Promise of Leadership.

How can leaders discover the explicit and implicit expectations that people have of them? The obvious answer is to ask. We often find that leaders don't ask those who work with and for them about their expectations of them. All leaders can accelerate their progress toward effectiveness by asking, learning, and then managing expectations, thus allowing the clarified expectations to become the bar by which they are measured.

### HIGH BAR OF EXPERIENCE AND EXPECTATIONS

When we ask people to identify the extraordinary leaders they have worked for or with, most cannot identify more than one or two, suggesting that we hold leaders, and are held as leaders, to very high standards. The expectations are so high that few leaders meet or exceed them; in fact, only 5–10% of leaders are seen as fulfilling the Promise of Leadership.

Given these violated expectations, we might wonder why anyone would *want* this job. Leaders carry enormous responsibility and operate in a world of increasing change, complexity, and connectivity. They are asked to work with more transparency and disclosure as they endure greater scrutiny. Despite these challenges, many leaders love their jobs and see what they do as a calling. They relish the chance to influence people, create positive results, and change things.

### LEADERSHIP MATTERS

Leadership makes a difference in the results we create and the quality of life we live.

**Bill:** My first corporate job out of graduate school was as a Management Development/Organizational Development Consultant at Blue Cross Blue Shield of Florida. In my role, I was primarily responsible

for improving the effectiveness of managers and their teams across the organization. It was a dream job because the company was hiring high potentials out of college to fill the talent pipeline. This aggressive recruiting effort resulted in a group of about 100 young, high-potential leaders. As you can imagine, we bonded as a group of new hires and developed relationships that last to this day.

I worked across this group of high-potentials in every area of the company, and over 18 months, I noticed a pattern. About 12 months into their employment with the company, many of these new hires started to move around the organization, searching for a position where they could grow, have impact, and have a life. In many cases, they moved to areas that they had not previously considered their primary career path; however, the leaders who ran these areas were considered to be the best, and these high-potentials wanted to work for them.

The conversations went something like this: “As soon as you can transfer into Aubrie’s organization, you should do it—she is really a great leader.” These high-potentials started to refer to these zones of great leadership as “refugee camps” because these groups provided refuge from the culture of compliance that permeated the organization. The best and the brightest were escaping poor leadership. They were voting with their feet and moving to work for great leaders.

Eventually, I found myself in the same position. After three years, I went to work for a leader named Larry L. Payne. I wanted to report to someone who would help me learn and grow and to work in a productive, fulfilling culture. Larry created a life-sustaining, high-performing culture. Our group produced great results and we loved our jobs. It was my refugee camp.

Of course, not all new hires could move into one of these refugee camps, there simply were not enough to go around. The number of great leaders was limited to a handful. Due to this dearth of quality leaders, many high-potential hires chose within three or four years to move on to another company. In their exit interviews, they listed *poor leadership* and a non-productive, *harsh culture* among their reasons for leaving. Thus, much of the investment in building the talent pipeline was wasted because of poor leadership and a dysfunctional culture.

This lesson early in my career has influenced how I assess leadership effectiveness. It was a firsthand experience with why leadership matters. Often as leaders, we have a tendency to pass on the predominant culture,

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rather than changing it into an effective one. I learned that great leaders create great cultures regardless of the dominant culture in the organization. As leaders, they know that they can sustain what works or change what does not in the culture every day.

The Promise of Leadership highlights the Leadership Imperative and puts a premium on leadership development. We know that leaders are not just born—they are made. They learn and develop over time. Great leaders can be cultivated to meet and exceed our high expectations of them. In order to fulfill the Promise of Leadership, leaders must know what people expect of them, manage those expectations, and develop into the person who can perform against them. When this happens, execution is extraordinary—performance is high, stakeholders are engaged, and work is fun and fulfilling.

#### FOUR UNIVERSAL PROMISES OF LEADERSHIP

From our research and field experience, we have identified *four universal promises of leadership*: 1) Set the right direction and create meaningful work; 2) Engage all stakeholders and hold them accountable for performance; 3) Ensure that processes and systems facilitate focus and execution; and 4) Lead effectively—maintain relationships of trust to achieve and sustain desired results (see Figure 1.1).

We often explore these promises in our early conversations with senior leaders. While most are familiar with them, few see them as *promises*. We now describe each promise from the perspective of a CEO (L1) and their direct reports (L2).

##### **Promise 1: Set the right direction and create meaningful work**

L1 and L2 leaders come together on the Executive Team. They are responsible for setting direction, defining the vision and strategies required for sustainable growth and profit. They also identify markets and products, and establish the mission, vision, values, and culture. These elements constitute the essential components of *meaning* in the organization. Setting direction and creating meaning are vital if the organization is to thrive. Stakeholders hold leaders to this promise.

From direction and meaning flow the organization's *identity* or brand. Executive Leaders need to define how the organization creates value and



**FIGURE 1.1** Four promises of leadership

answers the question, “What is it that you uniquely as an organization can contribute to the world?”

When we work, we invest our life’s blood (time, talent, and energy) into an organization. Therefore, we want to readily identify the meaning of the work we do, see rewards beyond money, and contribute to the organization’s higher purpose. Leaders set the context and create the conditions in which individuals and organizations thrive. When the Executive Team ties the company’s direction to the work at hand in meaningful ways, every employee then has a clear line of sight into how *their* contribution makes a difference. This *shared identity* provides the foundation for corporate meaning—a requirement to fulfill the second leadership promise.

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### **Promise 2: Engage all stakeholders and hold them accountable**

When direction and meaning are confined to Executive Leadership, value is minimized. With this promise leaders are expected to fully engage employees in owning the company's direction. They are expected to earn trust and the commitment to perform by providing the *why* behind the *what* of work.

The *why* comes from directly connecting the value created by the organization with the personal contribution of each individual. Employees expect that *leaders* will draw forth their *inherent potential*—the hidden talent, discretionary energy, and passion that people put into their work—by creating a culture where people thrive, strive to contribute, and are valued for their contribution. When leaders, for example, set challenging goals, they specifically address the reasons to work toward those goals, each individual's role, and the significance of each person's contribution. They also recognize individual and collective contribution toward the goals because there is a strong link between recognizing individual strengths and talents and capturing their potential as full, committed participation.

This leadership promise can be difficult to keep. While Executive Leadership (L1 and L2) and even Senior Leadership (L3 to L5) often clearly understand the direction of the organization and why work is critical to that direction, they often underestimate the energy and commitment required to create meaning throughout the organization and fully engage everyone. Sadly, clarity and commitment often end at the leadership team level. We see evidence that this promise has been broken whenever employees cannot answer the question, "How does what I do make a difference?" Sadder still, is when employees stop asking the question altogether and resign themselves to work that provides little meaning beyond their paycheck.

### **Promise 3: Ensure that processes and systems facilitate focus and execution**

An employee's well-being is ultimately tied to the organization's performance, which itself is directly related to the organization's ability to execute. Underpinning every stakeholder's commitment is the belief

that the leadership “promises” to deliver results in the marketplace by successfully executing on key initiatives. Hence Promise 3—*keep the organization focused on execution*. Effective execution systems efficiently channel action into results and provide feedback on the work the organization is doing; action provides clarity; effort is linked to results, which gives individuals a clear line of sight to long-term, meaningful success.

Leaders break this promise in four ways: 1) by not providing the resources (time, people, and money) necessary to ensure execution; 2) by allowing the organization to be distracted by yet another “silver bullet” or “bright shiny object” (an attractive lower priority); 3) by having too little or an ineffective process in place so everything is done “for the first time” every time; and 4) by being so process-bound that execution becomes secondary to the process. Steve Ewing, the President and COO of Michigan Consolidated Gas Company and DTE Energy Gas, said it this way: “Results without process can’t be replicated and process without results is worthless.”

When these issues are the case, any line of sight to the results of the work, or to higher purpose, is lost. Breaking this promise exhausts the organization and robs it of discretionary energy, enthusiasm, and performance. When this happens, the organization operates beyond its capacity, activity takes precedence over results, and short-term fixes are substituted for long-term success. Repeatedly breaking this promise creates a culture of frustration, resentment, and hopelessness. Then, *cynicism-by-experience* regarding all strategic change initiatives poisons the well—even for new leaders.

#### **Promise 4: Lead effectively**

We expect our leaders to be effective, very effective, and the bar by which we measure them is high. Furthermore, we expect our leaders to be more effective this year than last year. We expect them to be so committed to enhancing their effectiveness that they become the most effective leaders they can be by engaging in ongoing personal and professional development. We expect all this because we know that failure to lead effectively virtually ensures violation of the other three leadership promises.

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Leadership development must proceed at a pace consistent with what it takes to stay effective and relevant in today's complex, rapidly changing business environment. Leaders who are committed to improving their performance must commit to growing as individuals, becoming increasingly more competent, self-aware, and conscious.

We recently started working with the extended leadership team (top team and level 3) of an iconic brand. As part of this company's succession, three members of this team have been identified as a potential successor to the President. One of these leaders is viewed by everyone as an exceptional leader who continues to grow year in and year out. When we asked him about his own leadership practice, he explained to us that he had been keeping a journal for over 20 years, noting when he witnessed extraordinary leadership and what was done. By now, he has filled up several journals of effective leadership moments and incorporated some of these elements of "effective leadership" into his own leadership practice. Needless to say, he is one of the most effective leaders with whom we have ever worked. This conscious and deliberate development process has made him an extraordinary leader. His leadership continues to develop and improve year after year.

Leaders must also recognize that leadership effectiveness is more than individual effectiveness. Collective leadership effectiveness drives business performance. Therefore, critical to keeping all four leadership promises is *keeping them with one another*. Leadership teams must work deliberately and unflaggingly on the quality of their own engagement. They must tell the truth, especially when it is hard to do so. They must persevere together through the often excruciating exchanges required to create shared meaning, direction, and viable strategy. They must work together in a way that focuses their individual and collective leadership energy on ensuring that they, and the organization, have what is needed to be successful and fulfilled.

Operating individually and collectively at this level of mastery describes the high bar that is set by the Promise of Leadership effectiveness. Since this promise underpins the other three, this promise requires ongoing development. For the best leaders we know, the desire to be an effective leader serves as strong motivation to developing both as an individual leader and as part of a leadership team.



## BROKEN LEADERSHIP PROMISES

Leaders who keep their promises boost their credibility and build trust; those who break promises to their employees lose credibility and trust. We are all too familiar with the consequences of broken leadership promises. We often hear about leaders who fall from grace because of egregious behavior, but trust is usually broken in far simpler ways. Leaders who claim to value the talents and contributions of individuals, yet lead as if intelligence resides only at the top, are breaking a promise. Leaders who seek near-term profits at the expense of sustainability and long-term growth are breaking a promise. Leaders who avoid discussing potential pitfalls during a change initiative are breaking a promise. Leaders who do not make it safe to fail are breaking a promise. Leaders who are unclear in their messaging, avoid difficult situations, or react defensively to feedback are breaking a promise. When a Promise of Leadership is neglected or unfulfilled, trust is broken, engagement erodes, and performance suffers.

When Promise 1 is broken, the organization lacks meaningful direction, fails to be competitive, and declines. When Promise 2 is broken, employees are disengaged. They underperform, turnover increases, competition wins market share, and the organization declines. When Promise 3 is broken, dollars, human capital, and time are wasted as execution suffers. The organization declines as it becomes mired in a culture of resentment and hopelessness. If Promise 4 is broken, there is no chance of meeting Promises 1, 2, and 3.

## KEEPING THE PROMISE

Employees, as well as other stakeholders, depend on leaders to keep their promises, to set the right strategic direction, to keep the organization on track, to execute efficiently, and to effectively lead the organization to produce results that sustain the business. All of these expectations exist on the *transactional* side of leadership. On the *transformational* side, leaders are expected to set a vision that captures people's imagination and provides inspiration, to engage employees in meaningful work, and to set the tone for the way people are treated and valued.

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To meet explicit and implicit, transactional and transformational expectations, leaders must increase both their competence and evolve in consciousness. This means becoming just as committed to their own personal development as they are to developing the people they serve. As leaders increase in competence, they become more effective. As they increase conscious self-awareness and act upon it, they become more cognizant of the messages their actions, communications, and behaviors convey, as well as how others perceive these messages. Once promises have been acknowledged, and leaders are aware of how they are “showing up,” then they can act authentically from their position of responsibility and authority.

Consciously competent and authentic leadership engenders credibility and trust. The relationship between leaders and followers then becomes reciprocal. Leaders have the right to expect that others will compassionately recognize them as fallible human beings. When leaders openly acknowledge their weaknesses and mistakes, constituents reciprocate by seeing these as opportunities to learn and grow. Credibility is earned with time and experience; grace is granted to be human.

The best leaders identify what promises they are being held to, manage expectations, and honor these promises. In so doing, they create a rich and inspiring culture, one in which the organization’s values, beliefs, ethics, contribution, and results are aligned. They create an organization and culture that makes a difference in today’s world. They ensure that individuals find meaning in the work they do. They realize the hope that business can be a place that matters in the lives of all involved. Great leadership is its own reward and returns a multiple on the effort expended.

### THE LEADERSHIP AGENDA

In the next few chapters, we will make the argument for the breadth and depth of development required for leaders to fulfill the Promise of Leadership, individually and collectively, over the long haul. These four promises and the level of effectiveness (if not mastery) that they require—individually and collectively—constitute the Leadership Agenda for the organization. This Agenda, mastering the art and practice of leadership, needs to be held by the Top Team and led as a key strategic priority and business imperative. The performance of the business—as well as the

meaning and value creation of everyone associated with the business—depends on it.

#### TAKING STOCK

- What is possible and who cares?
- Are you creating an organization you would want your children to work in?
- Do you demonstrate love for those you are leading? How?
- How do you model the courage that you want from those around you?
- If this organization no longer existed, what would be lost to the world? Would that matter? Can you articulate why?

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