Leadership is ultimately about creating a way for people to contribute to making something extraordinary happen.

Alan Keith, Lucas Digital

Vision, conviction, and courage made the difference—
for all of us.

Lindsay Levin, Whites Limited

Whites, a car dealership and repair group based in the southeast part of London, was no worse than its competitors, but probably no better, either. Though the firm seemed busy enough, deeper analysis revealed negligible profits, mediocre employee morale, outdated financial systems, and low customer retention rates. As with lots of similar businesses, much of the structure and systems at Whites had remained substantially unchanged for many years. Each of the three departments—sales, service, and parts—operated largely independently, frequently blaming the others for any problems. Performance measures centered on efficiency and the cost of overhead, with insufficient attention paid to the customer’s experience. This is a situation all too familiar to businesses around the globe, large and small.

“What do our customers really think of us?” was the starting point for Managing Director Lindsay Levin. If the customers didn’t feel about the business as she wanted them to, she wanted to know why: “I wanted to get Whites to the point where we could be totally confident that every customer
would have an excellent experience dealing with us. I didn’t want it to be okay; I wanted it to be amazing—every time.” And so she started talking about this question with everyone.¹

Lindsay had no illusions about the size of the task facing her, especially as a twenty-nine-year-old woman without so much as a streak of grease under her fingernails. She took over the reins of this family business (founded by her great-grandfather), only a few years out of college. Although she had worked in various parts of the business as a teenager, mostly over the summer and holidays, to this day she still knows little about automobile engines and the product side of the enterprise.² What she does know, she says now, “is that this business is really all about people. And that our ability to deliver amazing customer service is all about people, and making them feel motivated, empowered, and trusted. They need to feel that they know what is at stake and how they make a difference. If we are not really committed to our own people, how can we expect them to be committed to our customers? My vision for Whites is of a company where everyone is treated with respect, feels involved and valued, and sees continuous improvement as part of their job, where people are free to get on and move the business forward with the minimum of bureaucracy, taking responsibility for their actions without fear of blame.”

One of the ways Lindsay got started was to hold focus groups of customers, videotaping the proceedings and playing them back to the employees. The results were electrifying. They revealed that comfortable assumptions about the job Whites was doing were not supported by the evidence. It was all the more powerful because employees recognized individual customers making complaints and could identify themselves as the subject of some of those complaints. Concerns ranged from poorly finished repairs and mistakes in billing to basic failures of communication such as not letting people know when their cars were ready to be picked up. Customers felt like a commodity. They didn’t care which department they were talking to, they just wanted their car repaired.

As a first step, Lindsay asked people to talk about changes they would like to see happen and to form small voluntary teams to implement them. Initially these weren’t earth-shattering shifts, they were tasks like redoing the kitchen and cleaning up the workshop—yet the response was enthusiastic
and immediate. Some projects did take longer than expected, but they put people into the right frame of mind about working as a team. “Getting something concrete done got people over the ‘I’ve heard it all before’ reaction,” recalls Lindsay, “It was an essential preliminary to changing attitudes and mindsets.”

Once the teams had a few successes under their belts, they had the confidence to move on to bigger projects like building a new vehicle storage compound and, ultimately, to making fundamental changes in working practices. Most notably, they began operating as integrated and self-managing units in direct contact with customers rather than as traditional functional divisions. “As a result,” says Lindsay, “a very new way of working in teams developed.” It also transformed relationships—with customers who can now put a face to a name and talk to “their” technician, just as technicians get to know “their” customers personally. This has created such strong bonds that it is not unusual for employees to drop in on their days off to check progress on a particular vehicle.

Lindsay also made a commitment to training: “Vehicle repair is becoming a knowledge process, calling for brain as much as brawn.” Sixteen hours a month—10 percent of time—was, and continues to be, devoted to training. She admits that it is expensive and that pulling people off the job is not always popular, but it’s a long-term strategy that pays off in two directions. One is that skills transfer is a reality and the people who have been on training courses (covering both technical and people skills) go on to train others on the job. The other is the bottom-line effect, where revenue and growth have more than doubled, contributing to many awards both inside and outside the industry.

Lindsay also realized that you can never stop communicating, nor do enough communicating with people. In the early days, she would sometimes meet with all the technicians and parts people and be greeted with a wall of silence. “I’d have to be really proactive to get anything back from them.” A big learning point for Lindsay and the leadership team was, as she says: “that it’s easy for the manager to say, ‘Well, I tried to get input from people but nobody wanted to contribute.’ To succeed, you’ve got to keep persevering and going back.” This level of commitment was required before people would really open up and be honest with Levin, other directors, managers, and even their peers:
I talk very much from the heart, from the soul. This was initially a very strange thing to do in the motor [car] business, because it's a very macho culture. You have to open up your heart and let people know what you really think and believe. This means talking about your values and the values in your organization. The key is being able to align these two—personal and organizational values—and being at home in your skin, and being honest with yourself. You may have a set of values or mission stuck up on the wall, but if it's not what you're about, then everyone in the business will know, and it's a complete waste of time, and you'd probably be better off not to do anything. Be honest with yourself about what really matters to you and motivates you. And you've got to make sure that what you're doing in your business is aligned with what you're really all about.

Lindsay knows the critical importance of doing what you say you'll do and leading from the front. She told us about a very recent incident where her actions in working with a new salesperson set an example for others and gave testimony to not only her values but also reinforced key organizational values in the process:

I went to our sales department and there was a new salesperson hired. There were a whole bunch of things he should have been shown as a new person, and hadn't been. Fairly simple things, like where to get the company telephone directory. So I sat down with him for half an hour, at his desk, and showed him where to get all the information, got on the Internet with him and showed him a whole bunch of mundane things. And I know that I'm chatting with this guy, and he's a great guy, and that my time with him will not only make an impression on him but also on others in the organization who notice how I just chose to spend half an hour coaching someone on how to do a better job.

Lindsay also makes sure that they do all kinds of things to recognize success at Whites. All managers take time out to say thank you personally to people at every opportunity. Each month twenty-five to fifty “Going the
Extra Mile” awards are given throughout the organization. Get three and trade them in for a gold pin with a winged W. Get three in a row and you’ve earned a dinner certificate. These awards are generated by anyone in the organization, recognizing the contribution, the “extra mile” taken by someone else in pursuit of serving the customer. “It uplifts everyone’s hearts,” says Lindsay, to see what people are doing on their own: like traveling up to Scotland to help a customer whose car has broken down, delivering a car after midnight to a customer who was returning home from an overseas flight, or rearranging one’s own schedule so that a teammate can attend a child’s celebration at school. The fact that this recognition is public makes all the difference, according to Lindsay, because you can’t pay people to care. Lindsay herself writes lots of personal memos to congratulate people on achievement, signed with a smiley face. This has become a Lindsay trademark and people talk about how many “smileys” they have received.

“We really try very hard at Whites,” says Lindsay, “to make certain that we are zapping and not sapping people. Zapping means giving people positive strokes—boosting their motivation by recognizing a job well done and giving them the confidence to push themselves further.” She believes you need to zap people on a regular basis. “If everyone is doing a great job, what’s the problem in letting them know that?” Lindsay also appreciates that in difficult and challenging circumstances, sometimes all people need is to be supported and propped up. “This can be as simple as asking people how they are feeling or taking them out for a cup of coffee. Putting a bit of time aside to acknowledge the efforts they are making, and also that change can be difficult, makes a big difference to how people feel.”

“I knew I’d never be able myself to make all the changes that I thought were necessary to revolutionize the business and make it truly customer, and people, focused,” says Lindsay, reflecting on her experience and the still-ongoing transformation at Whites. But these things were, and are, very important to her, and that comes across to people. She knows that if people trust her and she trusts them, then there are few limits to what they can accomplish. Further, Lindsay notes: “You can then expect people to take responsibility. We assume the best in people, that they want to do a good job, that they’ll check up, get on with it, and honor the responsibility they’ve been given so that everybody’s playing their part.”
Lindsay demonstrates exemplary leadership skills, and she shows how to both build and guide a talented and committed team in accomplishing exceptionally challenging goals. She serves as a model for how other leaders can get extraordinary things done in a world of constant chaos and change.

LEADERSHIP FOR TODAY AND TOMORROW

Lindsay is a truly remarkable person, but her story is not. For over two decades we've been conducting research on personal-best leadership experiences, and we've discovered that there are countless examples of how leaders mobilize others to get extraordinary things done in virtually every arena of organized activity. We've found them in profit-based firms and nonprofits, manufacturing and services, government and business, health care, education and entertainment, work and community service. Leaders reside in every city and every country, in every position and every place. They're employees and volunteers, young and old, women and men. Leadership knows no racial or religious bounds, no ethnic or cultural borders. We find exemplary leadership everywhere we look.

Sometimes a leadership opportunity directly confronts you as it did with Lindsay Levin. Sometimes it knocks on your door and invites you to participate. When that happens, you have to be ready to seize the moment. Just take a look at what happened with Alan Keith, for example.

In 1991 the Turner Broadcasting System (TBS) wanted to launch the Cartoon Network. To make the Cartoon Network work, though, TBS needed instant programming to fill the hours of airtime. So it immediately went searching for acquisitions, and Hanna-Barbera Cartoons seemed like the ideal purchase. With its extensive library of classic cartoons developed over nearly forty years—including The Flintstones, Scooby Doo, and The Jetsons—Hanna-Barbera had just what the Cartoon Network needed, so TBS happily closed the deal. Along with the library, the acquisition of Hanna-Barbera included the company's animation studio. At that time the studio wasn't producing cool programming that appealed to the younger audience, but then—TBS chairman Ted Turner thought it could be turned around. He gave the Hanna-Barbera team two years to make that happen. If they couldn't, he'd close the studio down.
Alan Keith, chief accounting officer and controller for the Turner Distribution Company, was recruited to be part of the acquisition team. Alan assumed he'd be involved in it for a while, and then once the deal was completed he'd go back to his other responsibilities. But it turned out very differently. Instead, he was asked to take on the role of vice president of business operations of Hanna-Barbera, move to Los Angeles, and become part of the senior team there. The challenge: completely reinvent the Hanna-Barbera studios. "It became," Alan says, looking back, "one of the most compelling experiences I've ever had in my career. It was an environment where leadership was working at its best."

At the time of the acquisition a manufacturing philosophy ruled the studio. "It was about doing it cheaply, getting it out the door and getting it on the air as quickly as possible," Alan says. "Their whole drive, their whole motivation was not so much on creativity or quality but on volume." Like most factories, there was a highly centralized structure in which all decisions about creative issues were being made by one or two people, and all the work was divided into functional departments. Creativity had been dampened because of that system, and there was no free flow of ideas. Something had to be done quickly to revive a once great entertainment force.

The new team had to make a dramatic shift from a manufacturing mentality to a focus on creativity. It seems like an obvious thing when you're talking about animation, but, Alan says, "It was a huge struggle to get to the place where we could actually admit that all we really care about right now is bringing the right kind of creativity into this organization." And, as with so many simple yet profound shifts in perspective, "Once we were able to articulate it, so many things flowed from that statement."

"The vision," Alan explains, "was to ultimately be viewed as the world's leader in producing cartoon animation." But vision is one thing, action is another. "After scratching our heads for a little while . . . we decided to launch a shorts program . . . . This was really the unique and risky concept out of the whole idea. Animation's expensive to produce, and the only way it gets cost-effective is if you're producing long-run syndicated programs where you can amortize your cost over long periods of time. To produce a seven-minute short is an expensive proposition. To produce thirty-nine of them certainly adds to the risk."
Thus began a huge, real-time R&D effort. “We had an opportunity to produce thirty-nine unique, individual shorts, all different characters, all different stories. And then the Cartoon Network would air them repeatedly in different time slots, up against other programs, promote them in different ways, and collect lots of data on ratings and viewer feedback. That feedback ultimately gave us the indications of which handful were really the ones that seemed to appeal, and therefore were the ones we wanted to pursue.”

To support this dramatic departure from the past, “We essentially turned the organization on its ear, and we questioned every paradigm that the business had about how it worked, how it was set up, how it was structured, and how it was operated,” explains Alan. The old departmental structure gave way to highly decentralized production units and cross-functional teams. Each unit, focused on one of the shorts, would hire its own team and develop its own ideas. The support functions, depending on what they did, were assigned to work with different teams in the facility. What evolved was a much thinner yet stronger support system. The job of all those in leadership roles shifted from control to providing the backing for people to do what they were brought on to do. “It was fascinating to me,” says Alan, “because it was such a radical process. And it involved a great deal of risk whether it would even work.” It might have been a risk, but what resulted was a higher sense of accountability.

“Creative people by nature,” Alan explains, “want some sense of ownership. They want some sense of empowerment and spirit. By focusing on the creator we were changing the whole leadership paradigm within our studio. . . . You can’t make people trust change and trust the system. You have to actually create a system that is trustworthy, then people will begin to move much, much faster when you’re trying to elicit change.”

Part of creating a trustworthy system was getting to know the people he worked with, so Alan spent a lot of time with his employees. “We had times periodically throughout the year where managers were not allowed to have any appointments on their schedule other than those specifically set up by employees to come and talk to them about whatever was on their minds.”

For Alan, this process of making deeper connections with people had a profound payoff. “To get the most out of people, you need to see them on more than a surface level. You really have to get to know what makes them
tick. When you do that you're a little bit more human, and you create a system that's more trustworthy. Learning about their interests and passions made a huge difference in getting them connected to what we were trying to accomplish. It allowed me and it allowed others an opportunity to figure out how to motivate these people in order to do something that was absolutely extraordinary.

The entire climate of the studio changed. "We did everything from completely overhauling and doing a face-lift on the space so that it spoke to the creative spirit to encouraging anybody in the company—anybody that had an idea for a cartoon short—to come in and pitch their idea. It was an open system." Alan recalls how one woman in the purchasing department had an idea about how to liven up the look and feel of the place. She knew that the company wasn't going to spend gobs of money on new furniture because they didn't have it. "She said, 'The lobby needs to be redone because it's really tacky right now. I found a place that sells fabric. Let's just reupholster some of the existing furniture with some really wild, zany sixties-looking stuff because that's really the era of the furniture and it would liven it up.' It was those sorts of things that came out of a context of being fiscally responsible but yet coming up with great new ideas."

To teach people how to work in this new trusting system, lots of team building, lots of offsite events, and other forms of training took place. Significant time, energy, and resources were spent on developing leadership within the organization, something to which Alan dedicated himself personally. One of the interventions Alan sponsored was a 360-degree feedback review process. This was done on a multi-year basis so that employees' perceptions could be tracked over time. It was a rigorous process involving quantitative data and written comments that each manager was required to review and then sit with employees and talk about. Alan set the example, later telling us: "I think that was probably one of the most significant ways that I showed I was walking the walk and talking the talk. I started with me when it came to getting the upward feedback."

Although turning around the Hanna-Barbera Studio was serious business, "We played a lot," Alan recalls. "The place was about creating animation for kids, so it should be a fun place to work. We had celebratory parties around the shows, and we'd bring in the costume characters." Individual
recognition was also abundant. "It didn't matter if it was somebody in the legal department, human resources, or facilities. If a person did something that was incredibly useful or important to our mission, they were recognized. Sometimes it was in town hall meetings, and other times one-on-one; whatever the method, people got recognized for their contributions."

There was also the company store. "We set up a store in our studio where employees could come and buy merchandise that we had created just for our production studio, unique merchandise that you couldn't buy elsewhere. We wanted people to feel it was really special to work there. We wanted employees to walk out the door at the end of the day wearing a really, really cool Hanna-Barbera T-shirt with one of our characters on it. We wanted people to stop them, talk about it, and say 'That's really cool. Where did you get that?'"

"A lot of this stuff sounds kind of silly," Alan remarks, "but from the time we acquired the company until I left, the whole face of the place changed. It was a very gray, dank-looking building when I first arrived. When I left, we had zany furniture in the lobby, the buildings were painted bright colors, and the conference tables had all of our characters' names engraved in them. It was like coming to work in a cartoon every day. That stuff happened organically as we started to really change the place."

The Hanna-Barbera turnaround was a huge success. It not only created programs and merchandise that have produced billions of dollars in revenue for the Cartoon Network, it also created a whole new, trustworthy system for producing cartoon animation. This new system had a lasting human impact as well. "To this day," says Alan, "a number of people who are no longer there maintain extremely close contact. There was a group of people working shoulder to shoulder for many years, figuring out how to make things work, and we developed a bond that is a very rare thing in the workplace."

Because of his success at Hanna-Barbera, Alan Keith was recruited by Lucas Digital Ltd. to become its chief administrative officer. "The purpose that I'm serving in this organization is one of change." And in that role he's applying the lessons he learned at Hanna-Barbera, trying to create another trustworthy system that will get even more extraordinary things done. What does he see as a key lesson? "Know what you value, be willing to take a risk, and lead from the heart—lead from what you believe in."
INTRODUCING THE FIVE PRACTICES

Faced with different cultures and difficult circumstances, Lindsay Levin and Alan Keith each seized the opportunity to lead. They chose a pioneering path and led their organizations to new summits of excellence. And although their cultures and circumstances are distinct, we learned some important lessons about leadership from Lindsay, Alan, and the thousands of others who told us their personal-best experiences. From them we learned what it takes to mobilize other people—by the force of their own free will and despite hard work and potential risk—to want to climb to the summit.

Through our studies of personal-best leadership experiences, we’ve discovered that ordinary people who guide others along pioneering journeys follow rather similar paths. Though each case we looked at was unique in expression, each path was also marked by some common patterns of action. Leadership is not at all about personality; it’s about practice. We’ve forged these common practices into a model of leadership, and we offer it here as guidance for leaders to follow as they attempt to keep their own bearings and guide others toward peak achievements.

As we looked deeper into the dynamic process of leadership, through case analyses and survey questionnaires, we uncovered five practices common to personal-best leadership experiences. When getting extraordinary things done in organizations, leaders engage in these Five Practices of Exemplary Leadership:

- Model the Way.
- Inspire a Shared Vision.
- Challenge the Process.
- Enable Others to Act.
- Encourage the Heart.

These practices—which we discuss briefly in this chapter and then in depth in later chapters—aren’t the private property of the people we studied or of a few select shining stars. They’re available to anyone, in any organization or situation, who accepts the leadership challenge. And they’re not the accident of a special moment in history. They’ve stood the test of time, and our most recent research confirms that they’re just as relevant today as
they were when we first began our investigation over two decades ago—if not more so.

**Model the Way**

Titles are granted, but it’s your behavior that wins you respect. As Gayle Hamilton, a director with Pacific Gas & Electric Company, told us, “I would never ask anyone to do anything I was unwilling to do first.” This sentiment was shared across all the cases that we collected. Exemplary leaders know that if they want to gain commitment and achieve the highest standards, they must be models of the behavior they expect of others. Leaders *model the way*.

To effectively model the behavior they expect of others, leaders must first be clear about their guiding principles. Lindsay Levin says, “You have to open up your heart and let people know what you really think and believe. This means talking about your values.” Alan Keith adds that one of the most significant leadership lessons he would pass along is, “You must lead from what you believe.” Leaders must find their own voice, and then they must clearly and distinctively give voice to their values. As the personal-best stories illustrate, leaders are supposed to stand up for their beliefs, so they’d better have some beliefs to stand up for.

Eloquent speeches about common values, however, aren’t nearly enough. Leaders’ deeds are far more important than their words when determining how serious they really are about what they say. Words and deeds must be consistent. Exemplary leaders go first. They go first by setting the example through daily actions that demonstrate they are deeply committed to their beliefs. Toni-Ann Lueddecke, for example, believes that there are no unimportant tasks in an organization’s efforts at excellence. She demonstrates this to her associates in her eight Gymboree Play & Music centers in New Jersey by her actions. As just one example, she sometimes scrubs floors in addition to teaching classes.

The personal-best projects we heard about in our research were all distinguished by relentless effort, steadfastness, competence, and attention to detail. We were also struck by how the actions leaders took to set an example were often simple things. Sure, leaders had operational and strategic plans. But the examples they gave were not about elaborate designs. They were about the power of spending time with someone, of working side by
side with colleagues, of telling stories that made values come alive, of being highly visible during times of uncertainty, and of asking questions to get people to think about values and priorities. Modeling the way is essentially about earning the right and the respect to lead through direct individual involvement and action. People first follow the person, then the plan.

**Inspire a Shared Vision**

When people described to us their personal-best leadership experiences, they told of times when they imagined an exciting, highly attractive future for their organization. They had visions and dreams of what *could* be. They had absolute and total personal belief in those dreams, and they were confident in their abilities to make extraordinary things happen. Every organization, every social movement, begins with a dream. The dream or vision is the force that invents the future. Lindsay Levin saw a new and even more responsive Whites Group; Alan Keith imagined people at Hanna-Barbera taking creativity seriously—and playfully—to rejuvenate and reenergize a decaying organizational culture.

Leaders *inspire a shared vision*. They gaze across the horizon of time, imagining the attractive opportunities that are in store when they and their constituents arrive at a distant destination. Leaders have a desire to make something happen, to change the way things are, to create something that no one else has ever created before. In some ways, leaders live their lives backward. They see pictures in their mind’s eye of what the results will look like even before they’ve started their project, much as an architect draws a blueprint or an engineer builds a model. Their clear image of the future pulls them forward. Yet visions seen only by leaders are insufficient to create an organized movement or a significant change in a company. A person with no constituents is not a leader, and people will not follow until they accept a vision as their own. Leaders cannot command commitment, only inspire it.

To enlist people in a vision, leaders must know their constituents and speak their language. People must believe that leaders understand their needs and have their interests at heart. Leadership is a dialogue, not a monologue. To enlist support, leaders must have intimate knowledge of people’s dreams, hopes, aspirations, visions, and values.
Leaders breathe life into the hopes and dreams of others and enable them to see the exciting possibilities that the future holds. Leaders forge a unity of purpose by showing constituents how the dream is for the common good. Leaders ignite the flame of passion in others by expressing enthusiasm for the compelling vision of their group. Leaders communicate their passion through vivid language and an expressive style.

And leaders are in all places. When he was named captain of the soccer team as a high school junior, Dave Praklet knew he would have to do something to inspire his teammates to always give 110 percent. As he explained to us: "I had to get personal with them and tell them how good it feels to win a league championship. Or how good it feels as you step on the field for a championship game—how the adrenaline sends a tingling feeling through your entire body. Recounting these memorable moments helped me inspire the team to want to work hard. They wanted to see what it feels like and play with your heart."

Whatever the venue, and without exception, the people in our study reported that they were incredibly enthusiastic about their personal-best projects. Their own enthusiasm was catching; it spread from leader to constituents. Their belief in and enthusiasm for the vision were the sparks that ignited the flame of inspiration.

**Challenge the Process**

Leaders venture out. None of the individuals in our study sat idly by waiting for fate to smile upon them. "Luck" or "being in the right place at the right time" may play a role in the specific opportunities leaders embrace, but those who lead others to greatness seek and accept challenge. Lindsay Levin, for instance, rose to the occasion when circumstances required her to take over the family business. In the process, she also found innovative ways to transform the business. Alan Keith succeeded in confronting a traditional culture with some radical new ideas.

Every single personal-best leadership case we collected involved some kind of challenge. The challenge might have been an innovative new product, a cutting-edge service, a groundbreaking piece of legislation, an invigorating campaign to get adolescents to join an environmental program, a revolutionary turnaround of a bureaucratic military program, or the start-
up of a new plant or business. Whatever the challenge, all the cases involved a change from the status quo. Not one person claimed to have achieved a personal best by keeping things the same. All leaders *challenge the process.*

Leaders are pioneers—people who are willing to step out into the unknown. They search for opportunities to innovate, grow, and improve. But leaders aren't the only creators or originators of new products, services, or processes. In fact, it's more likely that they're not: innovation comes more from listening than from telling. Product and service innovations tend to come from customers, clients, vendors, people in the labs, and people on the front lines; process innovations, from the people doing the work. Sometimes a dramatic external event thrusts an organization into a radically new condition.

The leader's primary contribution is in the recognition of good ideas, the support of those ideas, and the willingness to challenge the system to get new products, processes, services, and systems adopted. It might be more accurate, then, to say that leaders are *early adopters* of innovation.

Leaders know well that innovation and change all involve experimentation, risk, and failure. They proceed anyway. One way of dealing with the potential risks and failures of experimentation is to approach change through incremental steps and small wins. Little victories, when piled on top of each other, build confidence that even the biggest challenges can be met. In so doing, they strengthen commitment to the long-term future. Yet not everyone is equally comfortable with risk and uncertainty. Leaders also pay attention to the capacity of their constituents to take control of challenging situations and become fully committed to change. You can't exhort people to take risks if they don't also feel safe.

It would be ridiculous to assert that those who fail over and over again eventually succeed as leaders. Success in any endeavor isn't a process of simply buying enough lottery tickets. The key that unlocks the door to opportunity is learning. In his own study of exemplary leadership practices, Warren Bennis writes that “leaders learn by leading, and they learn best by leading in the face of obstacles. As weather shapes mountains, problems shape leaders. Difficult bosses, lack of vision and virtue in the executive suite, circumstances beyond their control, and their own mistakes have been the leaders’ basic curriculum.” In other words, leaders are learners. They learn from their failures as well as their successes.
Enable Others To Act

Grand dreams don’t become significant realities through the actions of a single person. Leadership is a team effort. After reviewing thousands of personal-best cases, we developed a simple test to detect whether someone is on the road to becoming a leader. That test is the frequency of the use of the word *we*. In our interview with Alan Keith, for instance, he used the word “we” nearly three times more often than the word “I” in explaining his personal-best leadership experience.

Exemplary leaders *enable others to act*. They foster collaboration and build trust. This sense of teamwork goes far beyond a few direct reports or close confidants. They engage all those who must make the project work—and in some way, all who must live with the results. In today’s “virtual” organization, cooperation can’t be restricted to a small group of loyalsists; it must include peers, managers, customers and clients, suppliers, citizens—all those who have a stake in the vision.

Leaders make it possible for others to do good work. They know that those who are expected to produce the results must feel a sense of personal power and ownership. Leaders understand that the command-and-control techniques of the Industrial Revolution no longer apply. Instead, leaders work to make people feel strong, capable, and committed. Leaders enable others to act not by hoarding the power they have but by giving it away. Exemplary leaders strengthen everyone’s capacity to deliver on the promises they make. As a budget analyst for Catholic Healthcare West, Cindy Giordano would ask “What do you think?” and use the ensuing discussion to build up the capabilities of others (as well as educate and update her own information and perspective). She discovered that when people are trusted and have more discretion, more authority, and more information, they’re much more likely to use their energies to produce extraordinary results.

In the cases we analyzed, leaders proudly discussed teamwork, trust, and empowerment as essential elements of their efforts. A leader’s ability to enable others to act is essential. Constituents neither perform at their best nor stick around for very long if their leader makes them feel weak, dependent, or alienated. But when a leader makes people feel strong and capable—as if they can do more than they ever thought possible—they’ll give it their
all and exceed their own expectations. When leadership is a relationship founded on trust and confidence, people take risks, make changes, keep organizations and movements alive. Through that relationship, leaders turn their constituents into leaders themselves.

**Encourage the Heart**

The climb to the top is arduous and long. People become exhausted, frustrated, and disenchanted. They’re often tempted to give up. Leaders encourage the heart of their constituents to carry on. Genuine acts of caring uplift the spirits and draw people forward. Encouragement can come from dramatic gestures or simple actions. When Cary Turner was head of Pier 1 Imports’ Stores division, he once showed up in a wedding gown to promote the bridal registry. On another occasion, he promised store employees he’d parasail over Puget Sound and the Seattle waterfront if they met their sales targets. They kept their commitment; he kept his. As mayor of New York City, Rudy Giuliani wore different hats (literally) to acknowledge various groups of rescue workers as he toured ground zero after the World Trade Center towers were destroyed on September 11, 2001. But it doesn’t take events or media coverage to let people know you appreciate their contributions. Terri Sarhatt, customer services manager at Applied Biosystems, looked after her employees so well that at least one reported that the time she spent with them was more valuable than the tangible rewards she was able to give out.

It’s part of the leader’s job to show appreciation for people’s contributions and to create a culture of celebration. In the cases we collected, we saw thousands of examples of individual recognition and group celebration. We’ve heard and seen everything from handwritten thank-yous to marching bands and “This Is Your Life” ceremonies.

Recognition and celebration aren’t about fun and games, though there is a lot of fun and there are a lot of games when people encourage the hearts of their constituents. Neither are they about pretentious ceremonies designed to create some phony sense of camaraderie. When people see a charlatan making noisy affectations, they turn away in disgust. Encouragement is curiously serious business. It’s how leaders visibly and behaviorally link rewards with
performance. When striving to raise quality, recover from disaster, start up a new service, or make dramatic change of any kind, leaders make sure people see the benefit of behavior that’s aligned with cherished values. And leaders also know that celebrations and rituals, when done with authenticity and from the heart, build a strong sense of collective identity and community spirit that can carry a group through extraordinarily tough times.

**LEADERSHIP IS A RELATIONSHIP**

Leadership is an identifiable set of skills and practices that are available to all of us, not just a few charismatic men and women. The “great person”—woman or man—theory of leadership is just plain wrong. Or, we should say, the theory that there are only a few great men and women who can lead us to greatness is just plain wrong. We consider the women and men in our research to be great, and so do those with whom they worked. They are the everyday heroes of our world. It’s because we have so many—not so few—leaders that we are able to get extraordinary things done on a regular basis, even in extraordinary times.

Our findings also challenge the myth that leadership is something that you find only at the highest levels of organizations and society. We found it everywhere. To us this is inspiring and should give everyone hope. Hope, because it means that no one needs to wait around to be saved by someone riding into town on a white horse. Hope, because there’s a generation of leaders searching for the opportunities to make a difference. Hope, because right down the block or right down the hall there are people who will seize the opportunity to lead you to greatness. They’re your neighbors, friends, and colleagues. And you are one of them, too.

There’s still another crucial truth about leadership—more apparent to us this time around than it was before. It’s something that we’ve known for a long time, but we’ve come to prize its value even more today. In talking to leaders and reading their cases, there was a very clear message that wove itself throughout every situation and every action: **leadership is a relationship.** Leadership is a relationship between those who aspire to lead and those who choose to follow.

Evidence abounds for this point of view. For instance, in examining the critical variables for success in the top three jobs in large organizations, Jodi
Taylor and her colleagues at the Center for Creative Leadership found the number one success factor to be “relationships with subordinates.” We were intrigued to find that even in this nanosecond world of e-everything, opinion is consistent with the facts. In an on-line survey, respondents were asked to indicate, among other things, which would be more essential to business success in five years—social skills or skills in using the Internet. Seventy-two percent selected social skills; 28 percent, Internet skills. Internet literati completing a poll on-line realize that it’s not the web of technology that matters the most, it’s the web of people.

Similar results were found in a study by Public Allies, an AmeriCorps organization dedicated to creating young leaders who can strengthen their communities. Public Allies sought the opinions of eighteen- to thirty-year-olds on the subject of leadership. Among the items was a question about the qualities that were important in a good leader. Topping the respondents’ list is “Being able to see a situation from someone else’s point of view.” In second place, “Getting along well with other people.”

Success in leadership, success in business, and success in life has been, is now, and will continue to be a function of how well people work and play together. We’re even more convinced of this today than we were twenty years ago. Success in leading will be wholly dependent upon the capacity to build and sustain those human relationships that enable people to get extraordinary things done on a regular basis.

THE TEN COMMITMENTS OF LEADERSHIP

Embedded in The Five Practices of Exemplary Leadership are behaviors that can serve as the basis for learning to lead. We call these The Ten Commitments of Leadership. These ten commitments serve as the guide for our discussion of how leaders get extraordinary things done in organizations and as the structure for what’s to follow. We’ll fully explore each of these commitments in Chapters Three through Twelve. Before delving into the practices and commitments further, however, let’s consider leadership from the vantage point of the constituent. If leadership is a relationship, as we have discovered, then what do people expect from that relationship? What do people look for and admire in a leader? What do people want from someone whose direction they’d be willing to follow?
THE FIVE PRACTICES AND TEN COMMITMENTS OF LEADERSHIP

PRACTICE

1. Find your voice by clarifying your personal values.
2. Set the example by aligning actions with shared values.
3. Envision the future by imagining exciting and ennobling possibilities.
4. Enlist others in a common vision by appealing to shared aspirations.
5. Search for opportunities by seeking innovative ways to change, grow, and improve.
6. Experiment and take risks by constantly generating small wins and learning from mistakes.
7. Foster collaboration by promoting cooperative goals and building trust.
8. Strengthen others by sharing power and discretion.
9. Recognize contributions by showing appreciation for individual excellence.
10. Celebrate the values and victories by creating a spirit of community.

CREDIBILITY IS THE FOUNDATION OF LEADERSHIP

Without credibility, you can’t lead.
Brian Carroll, Challenge Bank, Australia

You can’t follow someone who isn’t credible, who doesn’t truly believe in what they’re doing—and how they’re doing it.
Gayle Hamilton, Pacific Gas and Electric

Model the way, inspire a shared vision, challenge the process, enable others to act, and encourage the heart: these are the leadership practices that emerge from personal-best cases. But they paint only a partial picture. The portrayal can be complete and vivid only when we add in what constituents expect from their leaders. What leaders say they do is one thing; what constituents say they want and how well leaders meet these expectations is another. Leadership is a reciprocal process between those who aspire to lead and those who choose to follow. Any discussion of leadership must attend to the dynamics of this relationship. Strategies, tactics, skills, and practices are empty without an understanding of the fundamental human aspirations that connect leaders and constituents.

To balance our understanding of leadership, we investigated the expectations that constituents have of leaders. We asked constituents to tell us what they look for and admire in a leader. Their responses affirm and enrich the picture that emerged from our studies of personal bests. Clearly, those who aspire to lead must embrace their constituents’ expectations.
WHAT PEOPLE LOOK FOR AND ADMIRE IN THEIR LEADERS

We began our research on what constituents expect of leaders more than two decades ago by surveying thousands of business and government executives. We asked the following open-ended question: “What values (personal traits or characteristics) do you look for and admire in your leader?”

In response to that question, respondents identified more than 225 different values, traits, and characteristics. Subsequent content analysis by several independent judges, followed by further analyses, reduced these items to a list of twenty characteristics, each with a few synonyms for clarification.

We’ve administered this questionnaire to over seventy-five thousand people around the globe, and we update the findings continuously. We distribute the checklist and ask respondents to select the seven qualities that they “most look for and admire in a leader, someone whose direction they would willingly follow.” We tell them that the key word in this question is willingly. What do they expect from a leader they would follow not because they have to, but because they want to? We often ask respondents to imagine they are electing a leadership council of seven members and that there are twenty candidates in the running; these candidates are ideal qualities, not specific individuals.

The results of these surveys have been striking in their regularity over the years. It appears that a person must pass several essential tests before others are willing to grant the title leader. In Table 2.1, we present three sets of data gathered over the last two decades.

Although all characteristics receive some votes, and therefore each is important to some people, what is most striking and most evident is that, consistently over time and across continents, only four have continuously received over 50 percent of the votes. (For data on how these top four rank in different countries, see Table 2.2.) Some of the other qualities have flirted with consensus, but what people most look for and admire in a leader has been constant. As the data clearly show, for people to follow someone willingly, the majority of constituents must believe the leader is

- Honest
- Forward-looking
- Competent
- Inspiring
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>HONEST</td>
<td>88</td>
<td>88</td>
<td>83</td>
</tr>
<tr>
<td>FORWARD-LOOKING</td>
<td>71</td>
<td>75</td>
<td>62</td>
</tr>
<tr>
<td>COMPETENT</td>
<td>66</td>
<td>63</td>
<td>67</td>
</tr>
<tr>
<td>INSPIRING</td>
<td>65</td>
<td>68</td>
<td>58</td>
</tr>
<tr>
<td>Intelligent</td>
<td>47</td>
<td>40</td>
<td>43</td>
</tr>
<tr>
<td>Pair-minded</td>
<td>42</td>
<td>49</td>
<td>40</td>
</tr>
<tr>
<td>Broad-minded</td>
<td>40</td>
<td>40</td>
<td>37</td>
</tr>
<tr>
<td>Supportive</td>
<td>35</td>
<td>41</td>
<td>32</td>
</tr>
<tr>
<td>Straightforward</td>
<td>34</td>
<td>33</td>
<td>34</td>
</tr>
<tr>
<td>Dependable</td>
<td>33</td>
<td>32</td>
<td>33</td>
</tr>
<tr>
<td>Cooperative</td>
<td>28</td>
<td>28</td>
<td>25</td>
</tr>
<tr>
<td>Determined</td>
<td>24</td>
<td>17</td>
<td>17</td>
</tr>
<tr>
<td>Imaginative</td>
<td>23</td>
<td>28</td>
<td>34</td>
</tr>
<tr>
<td>Ambitious</td>
<td>21</td>
<td>13</td>
<td>21</td>
</tr>
<tr>
<td>Courageous</td>
<td>20</td>
<td>29</td>
<td>27</td>
</tr>
<tr>
<td>Caring</td>
<td>20</td>
<td>23</td>
<td>26</td>
</tr>
<tr>
<td>Mature</td>
<td>17</td>
<td>13</td>
<td>23</td>
</tr>
<tr>
<td>Loyal</td>
<td>14</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>Self-Controlled</td>
<td>8</td>
<td>5</td>
<td>13</td>
</tr>
<tr>
<td>Independent</td>
<td>6</td>
<td>5</td>
<td>10</td>
</tr>
</tbody>
</table>

Note: These percentages represent respondents from six continents: Africa, North America, South America, Asia, Europe, and Australia. The majority are from the United States. Since we asked people to select seven characteristics, the total adds up to 700 percent.

Table 2.2. Some Cross-Cultural Comparisons of the Characteristics of Admired Leaders.

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage of Respondents Selecting Each Characteristic</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Honest</td>
</tr>
<tr>
<td>Australia</td>
<td>93</td>
</tr>
<tr>
<td>Canada</td>
<td>88</td>
</tr>
<tr>
<td>Japan</td>
<td>67</td>
</tr>
<tr>
<td>Korea</td>
<td>74</td>
</tr>
<tr>
<td>Malaysia</td>
<td>95</td>
</tr>
<tr>
<td>Mexico</td>
<td>85</td>
</tr>
<tr>
<td>New Zealand</td>
<td>86</td>
</tr>
<tr>
<td>Scandinavia</td>
<td>84</td>
</tr>
<tr>
<td>Singapore</td>
<td>65</td>
</tr>
<tr>
<td>United States</td>
<td>88</td>
</tr>
</tbody>
</table>

To understand the constituent’s perspective even more fully, we expanded our work to include written case studies of the behaviors of admired leaders. People responded to questions about leaders with whom they had personal experience and for whom they had great admiration and respect. From these case studies (now numbering over a thousand) we collected specific examples of actions of respected leaders, information on the affective nature of admired leader–constituent relationships, and details about the types of projects or programs involved. These data came from sources in North America, Mexico, Western Europe, Asia, and Australia. Focus groups conducted subsequent to the collection of early cases further enabled us to determine the behaviors of admired leaders. Additionally, we conducted in-depth interviews with more than forty respected leaders and asked them to comment as constituents on the actions they believed exemplified quality leadership. Through a series of quantitative studies, we gained further insight into the leadership actions that influence people’s assessments of credibility.²

These investigations of admired leader attributes reveal consistent and clear relationships with the stories we heard people tell us about their
personal-best leadership experiences. The Five Practices of Exemplary Leadership and the characteristics of admired leaders are complementary perspectives on the same subject. When they’re performing at their peak, leaders are doing more than just getting results. They’re also responding to the expectations of their constituents, underscoring the point that leadership is a relationship and that the relationship is one of service to a purpose and service to people. As we weave the themes of being honest, forward-looking, competent, and inspiring into the text of the subsequent chapters on the practices, you’ll see in more detail how exemplary leaders respond to the needs of their constituents. First, though, here’s a closer look at each of the four attributes that have been selected by the majority of respondents over the last two decades.

Honest

In almost every survey we’ve conducted, honesty has been selected more often than any other leadership characteristic; overall, it emerges as the single most important ingredient in the leader-constituent relationship. The percentages vary, but the final ranking does not. Since the very first time we conducted our studies in the early 1980s, honesty has been at the top of the list.

It’s clear that if people anywhere are to willingly follow someone—whether it be into battle or into the boardroom, the front office or the front lines—they first want to assure themselves that the person is worthy of their trust. They want to know that the person is truthful, ethical, and principled. When people talk to us about the qualities they admire in leaders, they often use “integrity” and “character” as synonymous with honesty. No matter what the setting, everyone wants to be fully confident in their leaders, and to be fully confident they have to believe that their leaders are people of strong character and solid integrity. That nearly 90 percent of constituents want their leaders to be honest above all else is a message that all leaders must take to heart.\(^3\)

We—all of us—don’t want to be lied to or deceived. We want to be told the truth. We want a leader who knows right from wrong. Yes, we want our team to win, but we don’t want to be led—or misled?—by someone who cheats in the process of attaining victory. We want our leaders to be honest because their honesty is a reflection upon our own honesty. Of all the qualities
that people look for and admire in a leader, honesty is by far the most personal. More than likely this is also why it consistently ranks number one. It’s the quality that can most enhance or most damage our own personal reputations. If we follow someone who’s universally viewed as being of impeccable character and strong integrity, then we’re likely to be viewed the same. But if we willingly follow someone who’s considered dishonest, our own images are tarnished. And there’s perhaps another, more subtle, reason why honesty is at the top. When we follow someone we believe to be dishonest, we come to realize that we’ve compromised our own integrity. Over time, we not only lose respect for the leader, we lose respect for ourselves.

Just how do constituents measure a characteristic as subjective as honesty? In our discussions with respondents, we learned that the leader’s behavior provided the evidence. Regardless of what leaders say about their own integrity, people wait to be shown; they observe the behavior. Consistency between word and deed is how people judge someone to be honest.

Honesty is strongly tied to values and ethics. We appreciate people who take a stand on important principles. We resolutely refuse to follow those who lack confidence in their own beliefs. Confusion over where the leader stands creates stress; not knowing the leader’s beliefs contributes to conflict, indecision, and political rivalry. We simply don’t trust people who can’t or won’t tell us their values, ethics, and standards.

**Forward-Looking**

More than 70 percent of our most recent respondents selected the ability to look ahead as one of their most sought-after leadership traits. People expect leaders to have a sense of direction and a concern for the future of the organization. This expectation directly corresponds to the ability to envision the future that leaders described in their personal-best cases. But whether we call that ability vision, a dream, a calling, a goal, or a personal agenda, the message is clear: leaders must know where they’re going if they expect others to willingly join them on the journey.

Two other surveys that we conducted with top executives reinforce the importance of clarity of purpose and direction. In one study, nearly three hundred senior executives rated “developing a strategic planning and forecasting capability” as their most critical concern. When asked to select the
most important characteristics in a CEO, these same senior managers ranked "a leadership style of honesty and integrity" first and "a long-term vision and direction for the company" second.²

By the ability to be forward-looking, people don't mean the magical power of a prescient visionary. The reality is far more down-to-earth: it's the ability to set or select a desirable destination toward which the company, agency, congregation, or community should head. Vision reveals the beckoning summit that provides others with the capacity to chart their course toward the future. As constituents, we ask that a leader have a well-defined orientation toward the future. We want to know what the organization will look like, feel like, be like when it arrives at its destination in six quarters or six years. We want to have it described to us in rich detail so that we'll know when we've arrived and so that we can select the proper route for getting there.

There is one significant finding about the quality of being forward-looking that's important to note. When we survey individuals at the most senior levels in organizations, the percentage of people who select forward-looking as a desired leader characteristic is around 95 percent. When we administer our checklist to people in frontline supervisory roles, the percentage of people selecting forward-looking is around 60 percent. This wide gap indicates an important difference in expectation that's clearly tied to the breadth, scope, and time horizon of the job. More senior people see the need for a longer-term view of the future than do those at the front lines of operations. This also suggests a major developmental need for individuals as they move into roles that are more strategic in nature.

**Competent**

To enlist in another's cause, we must believe that the person is competent to guide us where we're headed. We must see the leader as capable and effective. If we doubt the leader's abilities, we're unlikely to enlist in the crusade.

*Leadership competence* refers to the leader's track record and ability to get things done. It's the kind of competence that inspires confidence that the leader will be able to guide the entire organization, large or small, in the direction in which it needs to go. It doesn't refer specifically to the leader's abilities in the core technology of the operation. In fact, the type of competence demanded seems to vary more with the leader's position and the
condition of the organization. While we demand a base level of understanding of the fundamentals of the industry, market, or professional service environment, we also know that leaders can't be expected to be the most technically competent in their fields. Organizations are too complex and multifunctional for that ever to be the case. This is particularly true as people reach the more senior levels. For example, those who hold officer positions are definitely expected to demonstrate abilities in strategic planning and policy making. If a company desperately needs to clarify its core competence and market position, a CEO with savvy in competitive marketing may be perceived as a fine leader. But in the line function, where people expect guidance in technical areas, these same strategic marketing abilities will be insufficient. A leader on the line or at the point of customer or client contact will typically have to be more technically competent than someone less engaged in providing services or making products. Yet it's not necessary that even the frontline leader have superior technical competence compared to the constituents. Much more significant is that the leader takes the time to learn the business and to know the current operation.

Relevant experience is a dimension of competence and one that is different from technical expertise. Experience is about active participation in situational, functional, and industry events and activities and the accumulation of knowledge derived from participation. Experience correlates with success, and the broader your experience, the more likely you are to be successful across organizations and industries. An effective leader in a high-technology company, for example, may not need to be a master programmer, but must understand the business implications of electronic data interchange, networking, and the World Wide Web. A health care administrator with experience only in the insurance industry is more than likely doomed; the job needs extensive experience in the delivery of human services. There may be notable exceptions, but it is highly unlikely that a leader can succeed without both relevant experience and, most important, exceptionally good people skills.

A leader must have the ability to bring out the best in others—to enable others to act. In fact, new research is revealing that the ability to enable others to act has become the critical differentiator between success and failure in the executive ranks. We think it applies equally at all organizational levels, as well as to leaders in all settings. The most important competency a leader brings
to the role is the ability to work well with others. As we pointed out in Chapter One, leadership is a relationship, and relationship skills are what shape success. The practices we discuss in this book—modeling, inspiring, challenging, enabling, and encouraging—are skills leaders must master if they’re going to be considered competent.

**Inspiring**

We also expect our leaders to be enthusiastic, energetic, and positive about the future. We expect them to be inspiring—a bit of the cheerleader, as a matter of fact. It’s not enough for a leader to have a dream about the future. A leader must be able to communicate the vision in ways that encourage us to sign on for the duration. We all long to find some greater sense of purpose and worth in our day-to-day working lives. Although the enthusiasm, energy, and positive attitude of a good leader may not change the content of work, they certainly can make the context more meaningful. Whatever the circumstances, when leaders breathe life into our dreams and aspirations, we’re much more willing to enlist in the movement.

Inspiring leadership speaks to our need to have meaning and purpose in our lives. Further, being upbeat, positive, and optimistic about the future offers people hope. This is crucial at any time, but in times of great uncertainty, leading with positive emotions is absolutely essential to moving people upward and forward. When people are worried, discouraged, frightened, and uncertain about the future, the last thing needed is a leader who feeds those negative emotions. Instead, we need leaders who communicate in words, demeanor, and actions that they believe we will overcome. Emotions are contagious, and positive emotions resonate throughout an organization and into relationships with other constituents. To get extraordinary things done in extraordinary times, leaders must inspire optimal performance—and that can only be fueled with positive emotions.

Some react with discomfort to the idea that being inspiring is an essential leadership quality. Some have even told us, “I don’t trust people who are inspiring.” No doubt this is a response to the crusaders who have led people to death or destruction. Others told us they were skeptical of their own ability to inspire others. Such lack of faith in others and in yourself is a terrible mistake. In the final analysis, leaders must uplift their constituents’
spirits and give them hope if they’re to voluntarily engage in challenging pursuits. Enthusiasm and excitement are essential, and they signal the leader’s personal commitment to pursuing a dream. If a leader displays no passion for a cause, why should anyone else?

PUTTING IT ALL TOGETHER:
CREDIBILITY IS THE FOUNDATION

Honest, forward-looking, competent, and inspiring: these are the characteristics that have remained constant during two decades of growth and recession, the surge in new technology enterprises, the birth of the World Wide Web, the further globalization of the economy, the ever-changing political environment, and the expansion and bursting of the Internet bubble. The relative importance of the most desired qualities has varied over time, but there has been no change in the fact that these are the four qualities people want most in their leaders. Whether we believe our leaders are true to these values is another matter, but what we would like from them has remained constant.

This list of four consistent findings is useful in and of itself—and there’s a more profound implication revealed by our research. These key characteristics make up what communications experts refer to as “source credibility.” In assessing the believability of sources of communication—whether newscasters, salespeople, physicians, or priests; whether business managers, military officers, politicians, or civic leaders—researchers typically evaluate people on three criteria: their perceived trustworthiness, their expertise, and their dynamism. Those who are rated more highly on these dimensions are considered to be more credible sources of information.

Notice how strikingly similar these three characteristics are to the admired leader qualities of honest, competent, and inspiring—three of the top four items selected in our survey. What we found in our investigation of admired leadership qualities is that more than anything, people want leaders who are credible. Credibility is the foundation of leadership.

Above all else, we must be able to believe in our leaders. We must believe that their word can be trusted, that they’ll do what they say, that they’re per-
sonally excited and enthusiastic about the direction in which we’re headed, and that they have the knowledge and skill to lead.

Because this finding has been so pervasive and so consistent, we’ve come to refer to it as The First Law of Leadership:

If you don’t believe in the messenger, you won’t believe the message.

**Credibility Makes a Difference**

At this point, cynics might well say, “So what? I know people who are in positions of power and who are enormously wealthy, yet people don’t find them credible. Does credibility really matter? Does it make a difference?”

It’s a legitimate question, and we feel compelled to address it. But rather than ask about “top management” or “elected officials,” we asked questions about people closer to home. We asked people to rate their immediate manager. As part of our quantitative research, using a behavioral measure of credibility, we asked organization members to think about the extent to which their immediate manager exhibited credibility-enhancing behaviors. We found that when people perceive their immediate manager to have high credibility, they’re significantly more likely to

- Be proud to tell others they’re part of the organization.
- Feel a strong sense of team spirit.
- See their own personal values as consistent with those of the organization.
- Feel attached and committed to the organization.
- Have a sense of ownership of the organization.

When people perceive their manager to have low credibility, on the other hand, they’re significantly more likely to

- Produce only if they’re watched carefully.
- Be motivated primarily by money.
- Say good things about the organization publicly but criticize it privately.
• Consider looking for another job if the organization experiences problems.
• Feel unsupported and unappreciated.

This evidence of the significant impact of leadership credibility on employee attitudes and behavior certainly provides clear dictates for organizational leaders. Credibility makes a difference, and leaders must take it personally. Loyalty, commitment, energy, and productivity depend upon it.

Credibility goes far beyond employee attitudes. It influences customer and investor loyalty as well as employee loyalty. In an extensive study of the economic value of business loyalty, Frederick Reichheld and his Bain & Company colleagues found that businesses concentrating on customer, employee, and investor loyalty generate superior results compared to those engendering disloyalty. They found further that disloyalty can dampen performance by a stunning 25–50 percent. Loyalty is clearly responsible for extraordinary value creation. So what accounts for business loyalty? When they investigated this question, the researchers found that “The center of gravity for business loyalty—whether it be the loyalty of customers, employees, investors, suppliers, or dealers—is the personal integrity of the senior leadership team and its ability to put its principles into practice.” And what’s true for bricks-and-mortar companies is just as true for the clicks companies. “In fact, when Web shoppers were asked to name the attributes of e-tailers that were most important in earning their business, the number one answer was ‘a Web site I know and trust.’ All other attributes, including lowest cost and broadest selection, lagged far behind. Price does not rule the Web; trust does.”

The Requirement and the Predicament of Being Forward-Looking

As much as we demand that leaders be credible before we will willingly follow them, credibility alone doesn’t satisfy us; we demand something more from our leaders. We expect leaders to have a sense of direction, a vision for the future: we expect them to be forward-looking. Although we expect credible newscasters, for example, to be independent when reporting what’s hap-
pening today, we expect leaders to have a point of view on today’s events and to be firm about the destination of our national, organizational, or civic journey. We may want newscasters to be cool, reasoned, and objective, but we want leaders to articulate the exciting possibilities. Leaders don’t just report the news; they make the news.

The dilemma is that leaders who are forward-looking are also biased—biased about the future. They aspire to change the way things are and guide us to a better tomorrow. But this very admirable and desirable leadership quality means that leaders often become the target of those who propose an alternative future. Thus when a leader takes a position on issues—when that leader has a clear point of view and a partisan sense of where the country, community, or company ought to be headed—that individual will be seen as less believable than someone who takes no stand. Consequently—ironic as it might seem—by the very nature of the role they play, leaders will always have their credibility questioned by those who oppose them.9

What does this mean for aspiring leaders? First, society places leaders in an awkward situation. We demand that they be credible, but we also contribute to undermining their credibility by expecting them to focus on a clear direction for the future. Leaders must learn how to balance their personal desire to achieve important ends with the constituents’ need to believe that the leader has others’ best interests at heart.

Second, because of this dilemma, leaders must be ever diligent in guarding their credibility. Their ability to take strong stands—to challenge the status quo, to point us in new directions—depends upon their being perceived as highly credible. Credibility matters as much to leaders as it does to other sources of information, if not more. If leaders ask others to follow them to some uncertain future—a future that may not be realized in their lifetime—and if the journey is going to require sacrifice, isn’t it reasonable that constituents should believe in them? To believe in the exciting future possibilities leaders present, constituents must first believe in their leaders’ trustworthiness, expertise, and dynamism.

This is not to suggest for one second that leadership is a popularity contest. It’s totally unrealistic for any leader to expect 100 percent of potential constituents to willingly enlist.10 Leaders have to learn to thrive on the tensions between their own calling and the voice of the people.
Opinions about those in leadership positions also tend to rise and fall with events. Americans generally have less confidence in many institutions now than they did in the 1970s when Gallup first began testing them. When times are good, people exhibit more confidence in their leaders; when times are bad, they show less. The more severe the events and the more compressed the time frame, the more cynical people are likely to become. And cynics have significantly less trust in their management than those who are upbeat. Nearly half of cynics doubt the truth of what management tells them, and only a third believe management has integrity. Three-quarters believe that top executives do pretty much what they want to no matter what people think. And while most individuals believe that big government is low on the trust scale, many would be surprised to learn that only about 30 percent of the people on average have had confidence in big business over the last thirty years. With only a couple of exceptions, confidence in all institutions has tended downward since the 1970s.

So it’s understandable that in a period of drastic restructuring, with attendant layoffs and shrinking family incomes, the credibility of business, labor, church, and government leaders declines. A natural suspicion of power and the confluence of events—such as the financial and political scandals of the 1980s and 1990s, or the bursting of the Internet bubble, the drastic drop in stock portfolio values in mid-2001, and the Enron scandal in 2002—certainly explain a great deal about why leaders have lost credibility. Bad timing, bad times, and bad behavior can often tarnish trust.

Credibility problems aren’t simply a function of the economic cycles, however. Even in the toughest of times, some leaders are held in extremely high regard, while others just fall out of respect. Some leaders stay true to their principles whatever the situation, and some are simply too weak, too amoral, too corrupt, or too mercenary to stand firm against the sirens of temptation or the gales of uncertainty. They have no strong bonds of belief that hold them firmly in place when they’re lured by wealth, fame, or power, or are tossed about by turmoil, chaos, and disruptive change.

It would be absolutely reckless for leaders to attribute the majority of credibility gains or losses to the situation. Leaders must never take credibility for granted, regardless of the times or their positions. In any circumstance, credibility is one of the hardest attributes to earn and to sustain. It’s
personal—and the most fragile of human qualities. It's earned minute by minute, hour by hour, month by month, year by year. But it can be lost in very short order if not attended to. By and large people are willing to forgive a few minor transgressions, a slip of the tongue, a misspoken word, a care-
less act. But there comes a time when enough is enough. And when leaders have used up all of their credibility, it's nearly impossible to earn it back.

What Is Credibility Behaviorally?

Credibility is the foundation of leadership. Our data confirm this assertion time and time again. But what is credibility behaviorally? How do you know it when you see it?

We've asked this question of tens of thousands of people over nearly twenty years, and the response we get is always the same. Here are some of the common phrases people have used to describe how they know credibility when they see it:

- "Leaders practice what they preach."
- "They walk the talk."
- "Their actions are consistent with their words."
- "They put their money where their mouth is."
- "They follow through on their promises."
- "They do what they say they will do."

That last is the most frequent response. When it comes to deciding whether a leader is believable, people first listen to the words, then they watch the actions. They listen to the talk, and then they watch the walk. They listen to the promises of resources to support change initiatives, and then they wait to see if the money and materials follow. They hear the promises to deliver, and then they look for evidence that the commitments are met. A judgment of "credible" is handed down when words and deeds are consonant. If people don't see consistency, they conclude that the leader is, at best, not really serious, or, at worst, an outright hypocrite. If leaders espouse one set of values but personally practice another, we find them to be duplicitous. If leaders practice what they preach, we're more willing to entrust them with our career, our security, and sometimes even our life.
This realization leads to a straightforward prescription for leaders on how to establish credibility. It is:

**DWYSYWD: Do What You Say You Will Do**

This commonsense definition of credibility corresponds directly to one of the Five Practices of Exemplary Leadership identified in the personal best cases. DWYSYWD has two essential elements: say and do. To be credible in action, leaders must be clear about their beliefs; they must know what they stand for. That's the “say” part. Then they must put what they say into practice: they must act on their beliefs and “do.” The practice of Modeling the Way links directly to these two dimensions of people’s behavioral definition of credibility. This practice includes the clarification of a set of values and being an example of those values to others. This consistent living out of values is a behavioral way of demonstrating honesty and trustworthiness. We trust leaders when their deeds and words match.

To gain and sustain the moral authority to lead, it’s essential to Model the Way. Because of this important connection between words and actions, we’ve chosen to start our discussion of the Five Practices with a thorough examination of the principles and behaviors that bring Model the Way to life. First, in Chapter Three, we introduce you to why it’s essential to Find Your Voice—that unique expression of yourself that gives you the inner strength as a leader to say what you will do. Then, in Chapter Four, we’ll take a look at how leaders Set the Example, the second half of the formula for establishing credibility. You’ll see how leaders must focus on their own personal values and how they must build and affirm shared values. Throughout the chapters and the action steps, you’ll also learn methods to align actions with values—the step in the process that communicates with deeds, not just words.

There are many more striking relationships between what leaders say they do when at their personal best and the attributes people look for and admire in their leaders. The leadership practice of Inspire a Shared Vision involves being forward-looking and inspiring. When leaders Challenge the Process, they enhance the perception that they’re dynamic. Trust is also a
major element of how leaders Enable Others to Act. In their descriptions of their personal bests, leaders said that they trusted others, which fostered others' trust in them. Likewise, leaders who recognize and celebrate significant accomplishments—who Encourage the Heart—increase their constituents' understanding of the commitment to the vision and values. When leaders demonstrate capacity in all of the Five Practices, they show others they have the competence to get extraordinary things done.