

Mind on the Job

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& COMPANY

SPECIAL ISSUE

*Leadership Icons:
Images of the ideal senior
leader as found in
Business Week,
Fortune, and **Forbes***

by T. J. Elliott & Martin J. Leahy

inside the MIND

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EXECUTIVE SUMMARY

What kind of leadership does the popular business press advocate?

The Study. We began with that question. We analyzed every article in *Business Week*, *Forbes*, and *Fortune* over six months to identify leadership idols. We uncovered some fascinating and consistent patterns behind who gets celebrated as leadership superstars.

Why the curiosity? We wanted to know: What is the spin on leadership in this press? Does this fit with the kind of leading being promoted by leadership gurus? With academic research findings? With what is taught in corporate leadership development programs?

Findings. The clear winners are executives who take action on the material side – the “hard” side – of the organization, not the people side. *The message:* Pay attention to things like capital, information, systems, power, strategy, processes. M&As are the preferred path to greatness. Mission, vision and values, knowledge management, teaming, and communications merit scant attention.

The second major message: Shake up the company, or even better, the industry, transform the business; leave incremental growth and continuous improvement to more junior people.

A couple of exceptions: Women stars tended to be pictured as good at the people side and operations executives made the headlines for their zeal about cost cutting and efficiency.

These images are often at odds with formal research, the leadership gurus, and corporate leadership training programs.

Conclusions. The press might or might not be correct about what it takes to be a great leader, but they are sending a clear message. We would advise awareness of the conflicting messages about great leadership and encourage critical reflection where you challenge all the idols, whether from the press, research, gurus, or training programs. Unexamined and conflicting models undermine effective leadership.

What images might we find in *Inc.*, *Fast Company*, and *Wired Magazine*? ↻

THE PROBLEM

Images are Powerful

Think about the leader you most respect. What image comes to mind? The general in battle, trapeze artist, ultimate mom or dad, charismatic communicator, relentless driver, inventive thinker, deal maker, the heart and soul of the company, courageous explorer, risk taker?

Everyone uses images to guide action. Images provide a *way of seeing* and a *way of thinking* that helps you to understand the world and act, without having to stop and think before every move you make.

Images, language, symbols, stories, ceremonies, rituals . . . are tools that can be used in the management of meaning and, hence, in shaping power relations in organizational life. Many successful managers and leaders are aware of the power of evocative imagery and instinctively give a great deal of attention to the impact of their words . . . the organization is a team and the environment a competitive jungle . . . problems [are] opportunities and challenges.

– Gareth Morgan

So, if a good boss or leader is like a *hero*, and you are a boss, that picture will have you see some things about yourself as a leader, and pay less attention to others. You might throw yourself again and again into heroic actions, into trying to lead your employees in symbolic charges.

Now, if leading is being the *glue* that holds everything together, you'd see and think very different things. Constant communication and quiet background support with members of your team might be your way of leading.

And Plentiful for Leadership

The business press daily bombards us with images of leaders with an unspoken command: *Go be like them*. Be like Bill Gates: Pay top dollar for the best person you can find rather than the going rate that would get you two or three workers. Do what Jack Welch says: Spend 50% of your time on employee development. Or follow Al Dunlop and cut staff to the bone.

Images Influence Action without Reflection

Business people value stories based on experience over academic research and the writings of management gurus. Yet they rarely reflect on what is being sold to them. They take for granted that articles describe the way the leader really works, as opposed to

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OVERVIEW OF THE STUDY

1. We surveyed all articles in *Business Week*, *Fortune*, and *Forbes* between January through June, 1999.
 2. We identified all stories that held up particular leaders as model executives; 90 were found.
 3. We summarized the story to capture the essence of what distinguished this leader as extraordinary. We kept to the original language as much as possible. The notes captured things like: stories about successes, key phrases, self descriptions, and descriptions by others.
 4. We coded these terms and key phrases using the Model for Company™ quadrants as the sorting mechanism.
 5. We identified themes and patterns.
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the spin put on the leader by the press or the CEO's PR agency. Further, based on the magazine's authority and the executive's success, they often assume that this is the way that they *should* lead. All of this leadership action happens automatically, based on an ideal picture, without much critical reflection. ❖

*What is the message from the press about how you should lead?
How do the models promoted by these magazines shape your way of leading?*

COMPANIES WHOSE LEADERS WERE PORTRAYED AS MODELS

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| <input type="checkbox"/> BMW | <input type="checkbox"/> Boeing | <input type="checkbox"/> BP Amoco |
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| <input type="checkbox"/> V-Tech Holdings | <input type="checkbox"/> University of California | <input type="checkbox"/> Univert |
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A TOOL FOR SORTING LEADERSHIP IMAGES

Two basic assumptions drive images for what it takes to be a great leader. They are the answers to two questions: *What is a company? How do you produce results in that company?*

What is a Company?

All of us have an answer to this question. And, while for most of us the answers are rich and complex, our responses tend to emphasize or favor one of two dimensions, namely the material or the human side of the organization – the stuff or the people. (See *Model for Company™* on facing page.)

Its people. If we see a company as fundamentally being all about people, we will talk about left-side things like knowledge, attitudes, beliefs or vision, mission, and culture.

The quotes below, taken from the articles studied, show a “people” view of company:

“He held no-holds-barred employee meetings and realized the company needed a new roadmap.”

“They are turning the lumbering corporate culture on its ear. They want to free people to run their businesses.”

“Many employees today did not grow up with authoritarian fathers . . . you must transition to a modern style of motivating people . . . as part of his strategy, he has encouraged more of his troops to think boldly and to take more risks.”

Its material. If we see a company as fundamentally about material matters, we talk about right-side things like money, power, and information or things like structure, systems, and processes. The quotes below show a “material” view of company:

“Secret determination to equal the best of his competitors by refocusing the growing company on its core products successfully pushed into new markets around the world . . .”

“Use cash to make us first or second in every market . . .”

“Cut several layers out of the organizational hierarchy . . .”

How Do You Produce Results?

Again, while the responses provided here are also complex, our answers tend to favor one or the other end of a continuum: *To create change, transform the whole situation, or bring order to the chaos.*

Create change. Those who see results as being about change focus on the top half of the model – by asking radical questions about what

we think we know, our beliefs and assumptions, or, alternately, they look to fundamentally restructure the rules of the game like how to get more money, power, and information. Here are some sample top-side quotes from executives oriented to transformation:

“Building wealth in this tough global environment requires nimbleness; the old former conglomerate rose like a phoenix to become #1 in their business. Profits jumped 98% in 1997 alone.”

“He is delivering the kind of savings and synergies he promised when his company outmaneuvered two competitors in the takeover bid.”

“They hire brilliant workers and use incentives to keep them creating and marketing software.”

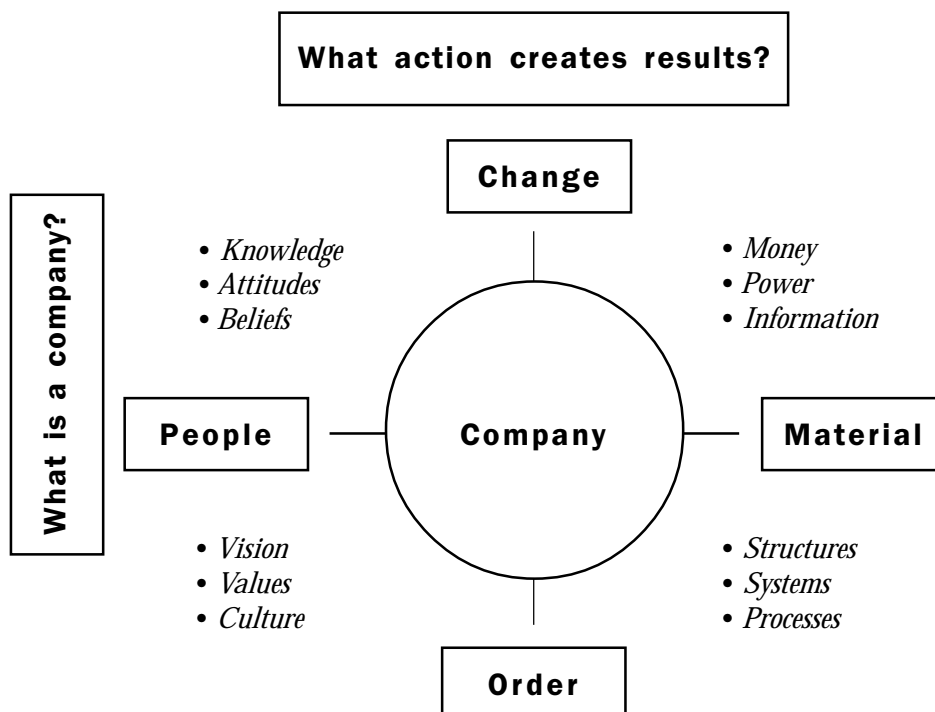
Bring order. Those who see results as coming from order and incremental improvement focus on the bottom half of the model. They look to the nuts and bolts of either structure, systems, and processes or how people are connecting in concrete lived experience. Again, quotes from the articles:

“It is a matter of nurturing an essential core that impels employees to deliver top-notch service on the ground and in the air.”

“They are able to get infrastructure built and control cash flow problems.”

“He acts as if every penny the company spends is his.” ☛

The Model for Company™



FOUR WORLDVIEWS ABOUT COMPANY AND LEADER

The Model for Company™

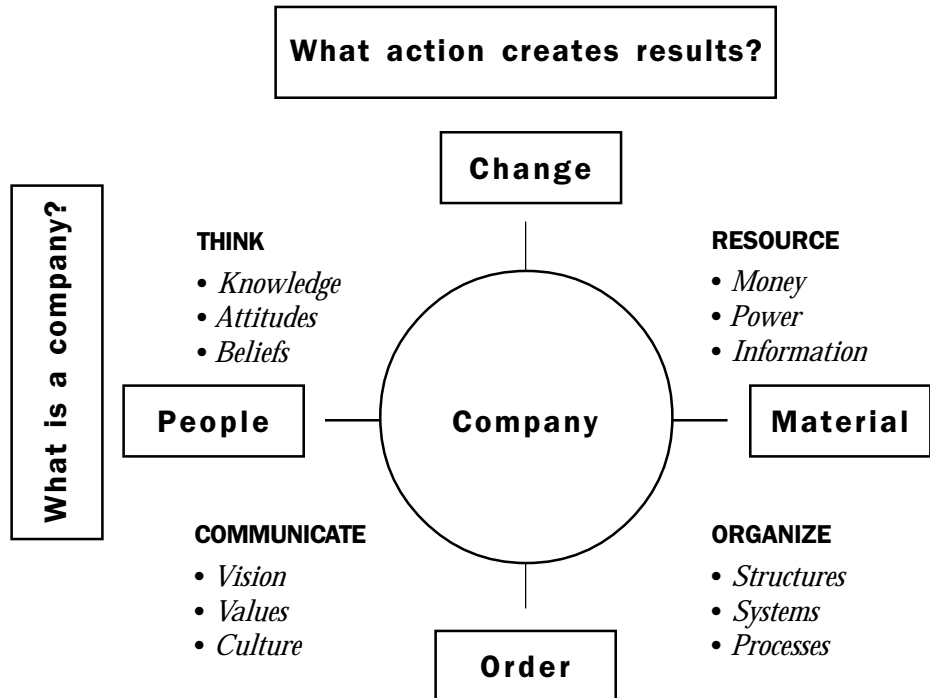
Having answered these two basic questions, four worldviews emerge that dramatically affect how people see organizations and leadership. These worldviews emphasize alternately how we: **think**, **communicate**, **resource**, or **organize**.

A worldview is a collection of beliefs, values, practices – *ways of seeing* and *ways of thinking* – a whole philosophy, or kind of shorthand, about people and organizations. All of us have worldviews that are some combination of the four presented below, yet we tend to lean more or less strongly toward one of the four quadrants.



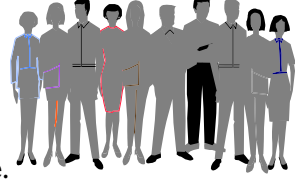

Quotes Illustrating the Worldviews

Here are some illustrative quotes from the articles. This will give you a feel for each of these leadership worldviews in action. Think of which one best fits your own leadership – and don't hedge by picking them all. Which one reflects your likely first choice?

The Model for Company™



Four Worldviews – Four Kinds of Leaders

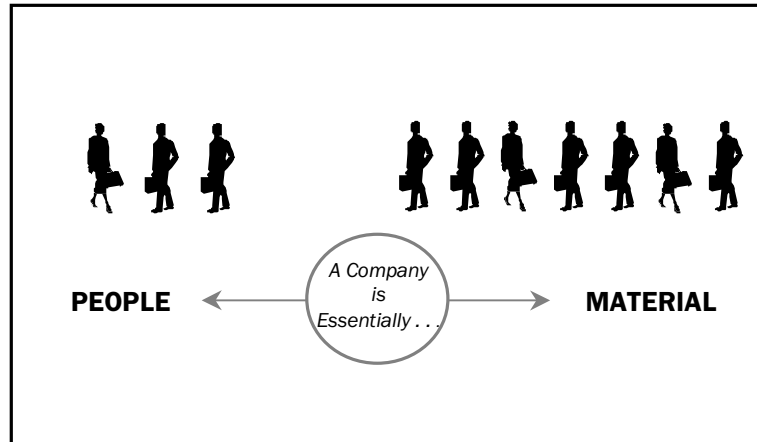
<p>THINK: The Innovator</p>  <ul style="list-style-type: none"> ❑ He is making a daring bid to transform the company from a collection of chemical and drug factories into a sleek life sciences concern. ❑ He is looking for people who can come up with big bold new ideas . . . the kind that give birth to billion dollar brands . . . He is convinced these kinds of people are there among the 11,000 – he sees his job as emancipating them. ❑ The primary capital equipment is brain power – employees can start pursuing radically different strategies in an eye blink. 	<p>RESOURCE: The Deal Maker</p>  <ul style="list-style-type: none"> ❑ Spends lavishly to win an even larger share of the global market. ❑ High profile; helped engineer hostile takeover at XYZ company; always ready to invade a colleague's turf; he is a poor manager, hirer, judge of people. ❑ He wants nothing less than to rewrite the rules of the game; he is constantly lobbying Congress to change FCC laws constricting ownership of TV outlets and networks.
<p>COMMUNICATE: The Coach</p>  <ul style="list-style-type: none"> ❑ She is a dynamic and inspirational speaker who has built a remarkably loyal employee base. ❑ He has forged a reputation as a team builder who excels at revving up the troops. ❑ The chain smoking, fast talking, funny man fuels their legendary esprit de corps. 	<p>ORGANIZE: The Manager</p>  <ul style="list-style-type: none"> ❑ I look at every single line item on the budget; people are pretty amazed about the level of detail I get into. ❑ He is known for his brutal travel schedule packed with dawn-to-midnight meetings where he is the stickler for efficiency. ❑ Led six years of cutting costs and reshaping the way the lumbering giant designs and builds cars.

STUDY FINDINGS

Analysis of the stories on the 90 executives in *Business Week*, *Forbes*, and *Fortune* found some interesting things about where they fit in this model.

1. Model leaders focus overwhelmingly on the *material* (70%) rather than the *people* (30%) side of company.

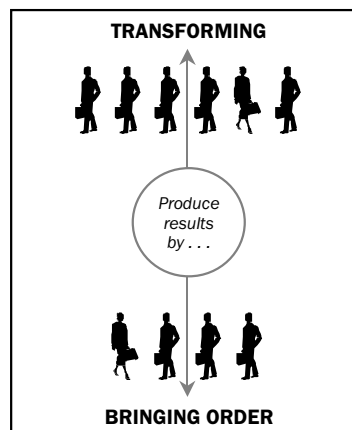
How do model leaders define “company”?



So, the concern is with access to money, power, and information or creating structures, systems, and processes.

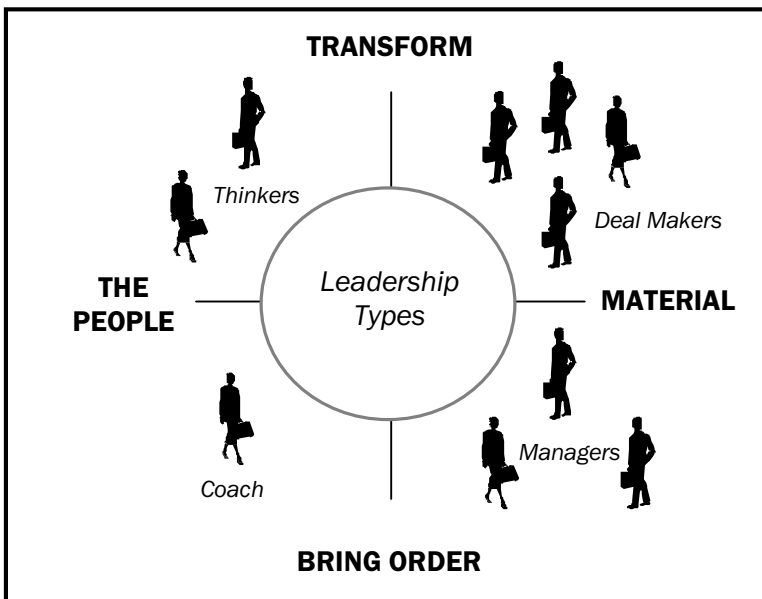
2. Women executives are an exception. They were portrayed as more people oriented. This assessment that top managers who weren't female might disdain anything on the 'soft' or people side is prevalent.
3. Model leaders transform and effect major change (60%), rather than day-to-day managing and implementation (40%).

How do model leaders create results?



4. Operations executives profiled in the magazines were the exception here. They are the ones who tended to focus on implementing, customer service, structure, and costs reduction.
5. Of the four leadership types, stars were deal makers (40%) and managers (30%). Thinkers (20%) were rarer and coaches (10%) rarest of all.

**Four Kinds of Model Leaders:
Frequency in *Business Week*, *Forbes*, and *Fortune***



Implications of the Findings for Leaders

Do these portraits truly represent how you and others lead?

Or is something being portrayed and advocated by the popular business press that does not represent you? One source of this doubt is many of the academic voices of those observing top executives. They claim that leadership in today's organizations is something else altogether than the icons revered in our three magazines.

John Darling in *Leadership & Organizational Development Journal* found in his study of multinational executives in the 1990s that the strategies they most often pursued fell into several themes. These included a focus on the care of customers, product innovation, committed people and management leadership. "The leadership strategies reflected by these corporate leaders focus on attention through vision, meaning through communication, trust through positioning and confidence through respect." This is hardly the message that one would have received by reading the

descriptions in the mainstream business press.

Are Darling and others such as Max DuPree, John Kotter, Warren Bennis, and Peter Block indulging in wishful thinking? Would the aggressive journalists of *Business Week*, *Forbes*, and *Fortune* reject these themes from the people side as too soft for the rigors of corporate life, as mirages on the business landscape?

If these images are true, why is it there is an apparent neglect of the people side of the enterprise, especially in the communicate area?

WalMart, Southwest Airlines, and GE with their highly admired and strong cultures run counter to this characterization and might offer places to look for the answer to this question.

The research of Collins & Porras indicates that great companies, those companies with a strong core ideology (mission and values), dramatically outperform good companies in the area of share price over time. Does this finding challenge what is advocated by the business press?

How does the overemphasis on financial capital (resource) square up with the investments being made in intellectual (think and communicate) capital or knowledge management?

Are organizations and leaders serious about the 'knowledge economy'? Or are they just spinning the latest buzzwords?

Is it what Roger Trapp, British management author, sees as the persistent mismatch between what bosses say and what they do? A mismatch that he contends is "particularly relevant when those at the top maintain 'people are our most important asset'" but, by operating otherwise, damage businesses in that country?

Is there success to be had in the concrete, day-to-day implementing of strategy?

Is there something in that realm necessary to complement the big hit, transformative efforts so highly valued by leaders? What happens when we run out of entities to merge?

The current stock market seems to reflect the business press here. It values the 'next new thing' that is, in the words of SEC head Arthur Levitt, Jr., "selling at a thousand times earnings of nothing" over companies that are profitable through solid managing on a day-to-day basis. Even the variation on implementation that used to excite the financial markets – the downsizing of companies – has lost its charm. Announcements of mergers with promises of slashed headcount drive stock prices down these days.

Conclusion

Does the makeup of your own leadership team lean heavily to one side or the other?

Are they bewitched by the business press descriptions and focused on the art of the deal over the art of making deals work or getting people to pull together?

Are they concentrating on the people side, merrily leading everybody over the side of the cliff because they lack the organizing and resourcing that successful companies must possess?

Our experience with companies has us conclude the following.

All four of these worldviews – **think**, **communicate**, **resource**, **organize** – are necessary ways to lead an organization. Circumstances may dictate a shift to one or another type of leadership at any given time. For instance, a company in desperate straits may need to direct all of its attention to **resource**. They might appropriately focus their attention on the merger that will allow them to survive. Another company struggling with strategy may follow the advice of Gary Hamel and C. K. Prahalad and see their the future as a matter of transcending their managerial frames, their installed base of thinking – those unquestioned conventions and unchallenged precedents based on what worked in the past. For such a company, the worldview of **think** is bound to be dominant at that time.

Organizations and the people in them are best served by give and take among these different ways of seeing the world. (Bill Torbert in his recent study of successful organizational transformations confirms the need for this shifting of worldviews.) When people have the stomach for that give and take, answers emerge that include each of these points-of-view yet transcend them; something brand new is created to which everyone has contributed – this is often called a breakthrough.

Often, a dangerous lopsidedness happens when one or two of these ways of seeing and thinking dominate inside a company while one or two are neglected or devalued. For example, Britain's Grand Met masterful in the **resource** quadrant as evidenced by their acquisitions came a cropper in assuming ownership of Pillsbury's. They neglected the people side completely as David Ricks points out in 'Blunders in International Business,' when they "fired several, black middle managers (including the head of its affirmative action program.)" On the other side of the equation, Apple Computer, which had done very well on the people side, blew its early market entry advantage in Japan when the firm tried to sell "its U.S. models . . . without even modifying them." Their lack of activity in the **organize** quadrant was seen by their failure to even translate the user's manual into Japanese.

CAVANAUGH LEAHY & COMPANY'S LEADERSHIP DEVELOPMENT OFFERINGS

Direct Action™

Leadership Development for Directors

Leadership development for managers making the transition to more senior levels is different. These managers often earned promotion through the amazing things they have done using their functional knowledge. But subject matter expertise is no longer enough. Now they must learn to lead others, ultimately even those who are more expert. Increasingly, these managers find that their job is not providing answers or personally delivering a result, but creating an environment where answers can come from others.

Program is built around a business-based problem selected by senior executives. Development and learning happen while reflecting-in-action together about real work. A pair of senior executive mentors supports the group in creating a solution for the assigned problem and presenting it to decision-makers.

Leading by Values

Leadership Development for the Senior Executive Team

What image of leadership fits our mission and values? And how is this company to be lead at this time, in this market, with these employees? A series of executive retreats, complemented by on-the-job team coaching, wherein the team collectively creates answers to those questions. They invent *their* image and practice of leadership. They then collectively design new customs and routines to operationalize this new practice. CEO, teammates, and consultants coach executives in regular team meetings to support individuals and group in learning this new practice while doing their work.

Executive Coaching

Leadership Development for the Individual

Customized consulting for valued executives and leaders who are challenged to produce extraordinary results and find their current approach insufficient. The coaching provides a safe place to talk, get honest feedback, and expand awareness – all in service of increasing personal effectiveness. Often the learning requires shifts, to complement current strengths, like the moves from individual contributor to teammate, or from manage and control to influence and enable, or from technical expert to collaborator.

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We help leaders find them.

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