

# Leadership

## The Inner Side of Greatness

*A Philosophy for Leaders*

Peter Koestenbaum

*New and Revised*

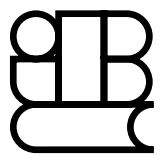


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The Jossey-Bass  
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*This book is dedicated to  
four important people:  
Ian Saul, Elissa Naomi,  
Wayne Elia, and Joshua Neil*

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# Preface to the Second Edition

Interest in philosophy in business has grown since *Leadership: The Inner Side of Greatness* appeared a decade ago. People seem to have appreciated its intention to be deep, looking into the center of the psyche and enriching themselves with substantial doses of self-discovery. These concerns have accelerated since the events of September 11, 2001.

Recent polls indicate that at least one-third of the population say they have made significant lifestyle changes as a result of 9/11. Many of these changes are steps away from work and toward the family. Also, people have become significantly more reflective and introspective, showing more interest in spirituality at work. These people are more congenial now to the spirit of camaraderie than to competition. You may find it harder to “want to kill the competition” if the competition literally died in the World Trade Center.

A lifestyle change is no longer purely a business decision but one of personal values. It is not done for profit but for the experience. Depth requires courage and risk of a kind different from what is required by investing, changing jobs, and analyzing the financials of an acquisition or a merger. Your issues become more than monetary calculations. They now demand that you deal with evil and death, with how to summon courage and manage anxiety, and how to reach greater heights of ethics and responsibility.

This is the meaning of depth. And it is desired today more than ever in relation to work and business.

## History of the Idea

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I arrived at the idea of philosophy in business thirty years ago, coming from the philosophy of the person, culminating in some of the analyses of the human condition associated with the existential movement in philosophy. This historical current extended itself quickly to literature and the arts, to theology and religion, and, finally, to psychiatry, psychology, and psychotherapy. I was an active member of that movement, and *Leadership: The Inner Side of Greatness* was an attempt to carry these religious, philosophical, and psychiatric insights about what it is to be a human being over to concerns that are very much alive in business.

The heart of existential philosophy was its extreme reliance on freedom and free will and its intense concentration on personal responsibility. This emphasis deeply penetrated our culture so that over the last fifty years we hear “You have a choice,” “We are responsible,” and “I choose not to go” much more often than “I was raised that way,” “My mother made me do it,” and “That is how I am wired.” Advertising, especially by financial institutions, heavily emphasizes that you are now in control, that you make the decisions, that you have the power—all of which touch on fundamental existential themes about the human condition. They stand in stark contrast to the psychoanalytic tradition of emphasizing early conditioning, learning from parents, and understanding people as the product of their upbringing and not of their own free choices. This shift from conditioning to freedom has been a culture change commensurate in magnitude to the movements of tectonic plates.

Embracing freedom and responsibility wholeheartedly blossomed after World War II, in the middle of the last century, and culminated in the Nuremberg trials. What the latter achieved was to raise freedom and responsibility to a new height of human awareness. This theme has never died. It has been reactivated by the Yugoslavian wars.

## A Philosophy of Leadership

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The intervening decade since *Leadership: The Inner Side of Greatness* appeared has offered ample opportunity to see how philosophy works in business: what it can do and what it cannot do, what is ex-

pected and what is actually delivered. For the final objective is to establish a *sui generis* profession, a unique career.

A philosophy of leadership is not descriptive; it is prescriptive. What this means is that we do not engage in empirical and social analyses, in which we take people who have been successful in terms of the current fads—as portrayed in such publications as *BusinessWeek*, the *Wall Street Journal*, the *Financial Times*—and then try to find out what traits they have in common.

The philosophical analysis, on the contrary, goes more like this: we live in a common world; we all have needs and hopes, feelings and ideals. We ask, What kind of people does it take to achieve these goals? and, more important, What kind of people does it take to help others achieve them, to create environments and societies—durable ones, sustainable ones—that will facilitate these goals? Surveying the history of ideas and using common sense, we hold that the Leadership Diamond encompasses the basics. And, as with classical music, once understood its value is self-evident. If we disagree with the model, we simply expand it or replace it with a better model. But the Leadership Diamond model deserves a hearing.

## **Overview of the Contents**

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Part One is the heart of the book—a detailed explication of the Leadership Diamond model. This model represents the structure of the leadership mind. It is what you are invited to know and learn—indeed, what you need to be—in order to become an effective leader. Here the details of your mental transformation are discussed so that you will approach everything you do from now on with fresh effectiveness and richer results. The exposition of the Leadership Diamond model includes ancillary discussions—amplifications of the principal theme—on the nature of time, democracy, motivation, teamwork, and salesmanship.

Part Two considers the need for and the nature of greatness in business. Today there is a dual need for greatness. On the organizational level, commitment to greatness is necessary for business success. On the personal level, commitment to greatness is required for personal health and longevity. Part Two ends with practical steps to encourage the further development of your leadership mind.

Part Three implements the Leadership Diamond model. Using the model, this section analyzes a number of private and business leadership situations. Discussed here are sample Leadership Diamond diagnoses of marriage and money, human resources and the arts, cultures, the Third World, and other situations of current interest. You will also find in-depth diagnoses of individual executives.

Part Four updates the model with new insights developed over the past decade. It includes a case on ethics analyzing the Enron scandal of 2001, as well as cases dealing with marketing, morale, and history.

The book ends with a section titled “A Leadership Resource: Tips for Achieving and Sustaining Inner Greatness.” Useful checklists and exercises are included.

## Acknowledgments

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A book like *Leadership: The Inner Side of Greatness* can never be the product of one person. Over the years, I have become increasingly aware of the truth of co-creation and the depth of cooperation. In that context, I have discovered the generosity and the good will of many, who contributed far more than they received. To the people who have used this book and commented on its contents and the individuals who have supported the work of philosophy-in-business I express my most profound gratitude.

I can mention only a paltry few, those being the ones immediately connected with the production of this revised edition. They are Marsha Clark, George Fitzpatrick, and Camden Danielson, for reading the original and making insightful suggestions for improvement. I value highly the work of my editors, Beverly Peavler and Susan Williams, as well as my helpers at Jossey-Bass: Rob Brandt, Todd Berman, Akemi Yamaguchi, and in particular Mary Garrett.

*Carmel, California*  
*June 2002*

Peter Koestenbaum



# Preface to the First Edition

The fundamental purpose of this book is to show that business can be an opportunity for both personal and organizational greatness—and that, in adopting this attitude, we not only ennoble human nature and strengthen our societies but also face squarely the critical success factor for meeting bottom-line business objectives in today’s tough competitive environment.

To accomplish this goal, *Leadership: The Inner Side of Greatness* deals with the *personal* side of business leadership. This requires attention to depth, to feelings, and to inner struggles. A leader must wrestle with inward issues. He or she is expected to have great aspirations, confront great frustrations, achieve great self-control, suffer great betrayals, and manifest great compassion. Addressing the personal side of leadership also requires attention to vision and to scope, for the leader’s mind must be all-encompassing. The executive is challenged always to keep his or her inner eye on the larger picture and to find ways of reacting quickly. This book asks how such a mind can be cultivated.

The personal side of leadership requires attention to such varied virtues as resourcefulness and trust, confidence and strength. It means learning the uses of power and developing a flexible imagination. The personal side of leadership challenges you to give meaning to your life through the quality of your work—how you manage your career or job, and how you invest your time and energy. The personal side of leadership also recognizes that deep thoughts and clever ideas are not enough. Executives must remind themselves that they are measured by cold effectiveness and hard results, for leadership success is tied to survival.

*Leadership: The Inner Side of Greatness* intends to support you in attaining a mind-set capable of combining wisdom with profits, insight with survival, the soft with the hard. It intends to help you develop a leadership mind, which means that you will think and act the way a leader does. The humanities are an unused resource for touching the lost parts of the soul and thus can give rise to a strengthened leadership. This book challenges you to make the fundamental decision of refocusing your mind, thereby achieving a mental transformation—taking, as it were, an “oath of greatness.” The leadership way of thinking and acting promoted here is in the spirit of a breakthrough—the conversion to a fresher way of being, and the resolve to renewed youthfulness and vigor.

Leadership is like health, happiness, love, or being strong. It is an intrinsic, not instrumental, value. You do not wonder how to make it work or how to apply it. You do not ask, “How do I apply health? How do I make happiness operational? What are the uses of love? How can I reap the practical benefits of being strong?” There is nothing more practical than a leadership mind. Human depth makes *business* sense. This book, its contents derived from everyday business struggles, is about personal maturity and its impact on the bottom line.

*Leadership: The Inner Side of Greatness* makes you a promise: to double your business leadership effectiveness on any measure you choose. Stretching your mind to reach, at all items and in all circumstances, the dimensions of what is called here the Leadership Diamond model will heighten your level of leadership awareness and show in everything you do.

## Intended Audience

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The audience that will find this book useful includes upper managers, middle managers, and students—the future leaders of the world. The Leadership Diamond material can easily be transferred to politics, the professions, the arts, journalism, religion, and the military: leadership is bigger than business.

It appears that the greater a person’s managerial responsibilities, the greater also is that person’s responsiveness to the leadership challenge. As people get promoted to higher levels of management, they also become more receptive to understanding the structure of leadership awareness. Recognizing the importance of leadership think-

ing and acting, and appreciating the significance of leadership training, seem to be directly proportional to the amount of organizational responsibility with which a manager is entrusted.

*Leadership: The Inner Side of Greatness*, therefore, addresses upper managers—executives both burdened and privileged with facing, in Shakespeare’s words, “the storms of state.” Their inner struggles and proffered solutions are reported here. It is also useful for middle and lower managers. This book addresses and reports on their problems, with a degree of depth to which managers seem unaccustomed. Frequent comments regarding this material are “Why hasn’t my boss been introduced to this?” and “How can I make a thousand people aware of this?” For ambitious young men and women who are interested in getting ahead, the material in this book should probably be required reading. The same, of course, applies to students. Having spent most of my life in school and academic atmospheres, I am sensitive to the needs of our students. Tomorrow they will be our leaders. Studying the Leadership Diamond material early in one’s career and learning to apply it can make a marked difference in one’s lifelong success.

The general principles of successful leadership, however, apply to all people.

## **Background of This Book**

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How did this book come about? It is the result of innumerable interviews, discussions, and dialogues with and observations of executives, managers, supervisors, and chief executive officers (CEOs) over a ten-year period. I have tried to learn from business leaders what their issues are, what kinds of attention they require, how the leaders struggle with them, and what solutions they come up with. This book is a record (as would be provided by a journalist) of learning experiences that have been systematized. But nothing really new is provided. You have here a teacher’s manual—a way of presenting and remembering what everyone already knows about leadership but may have forgotten, may not have thought of, or may not have considered from this particular point of view. I have tried to deepen these dialogues with executives (many of them conducted in my Leadership Diamond seminars) through my own background in philosophy, which spilled over first into religion and theology and then into psychiatry and psychotherapy.

Presenting an approach to leadership enriched with philosophic depth can lead to difficulties in communication, sometimes bordering on culture shock. Some people respond to Leadership Diamond theory with enthusiasm and say, “We need more of this.” Others seem to have trouble seeing its relevance. People occasionally respond with hostility. Successful executives often come equipped with what we might call engineering minds, finance minds, legal minds, scientific research minds—that is to say, essentially pragmatic and bottom-line minds. We have become accustomed to calling that *left-brain thinking*. Such explanations, however, are of limited value. We should all be open to exploring those regions of our minds that have been left dormant. (In my own case, I started my academic career with mathematics and theoretical physics and came only later to the psychological and business implications of philosophy explored in this book.)

Experience demonstrates repeatedly that—offered the opportunity—executives show a strong desire for depth: they want to explore the connections between daily routines and destiny questions, ordinary choices and creation myths, innovation and the mind of genius, making budget and striving for greatness.

*Leadership: The Inner Side of Greatness* meets a fundamental, largely unfilled need: exploration of depth in leadership. Effective leadership derives its credibility not from practices and techniques (important as they are) but from the person supporting them, the human being behind the leadership behaviors. This book addresses that issue squarely.

## Acknowledgments

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This book—and the work it represents—would not have been possible without the devoted help of many friends. Here are a few of them: David Belle-Isle, Gail Bidwell, Peter Block, Anders Byström, Jack Furrer, Kenn George, Dennis Green, Bill Hicks, Arne Johansson, J. C. Persson, Jean-Louis Servan-Schreiber, Al Solvay, Dan Werbin, and John Williamson (recently deceased). It is not fair that many more individuals deserving loyal thanks have been left out, but I trust they will understand and be forgiving.

*Los Angeles, California*  
*March 1991*

Peter Koestenbaum

# The Author

Peter Koestenbaum was a professor in the Philosophy Department at San Jose State University for thirty-four years, where he received the Statewide Outstanding Professor Award. He has applied his knowledge of philosophy to business, leadership, management, marketing, and strategic thinking.

He is the author of *Is There an Answer to Death?*, *Managing Anxiety*, *Choosing to Love*, *The Heart of Business*, *The New Image of the Person*, *The Vitality of Death*, and *Freedom and Accountability at Work* (with Peter Block). Koestenbaum and Block are the creators of the videotape *The Language of the Leadership Diamond*.

In addition to this revised edition of *Leadership*, Koestenbaum is concurrently publishing *The Philosophic Consultant: Revolutionizing Organizations with Ideas* (Jossey-Bass/Pfeiffer).

Koestenbaum earned a bachelor's degree in philosophy from Stanford University, a master's in philosophy from Harvard University, and a Ph.D. in philosophy from Boston University; he also attended the University of California, Berkeley, to study music and philosophy.

His concern throughout his career has been to develop philosophy-in-business as a bona fide profession undergirding the use of the humane sciences in business, covering not only personal and cultural matters but strategic and marketing topics as well. This journey has taken him to over forty countries on five continents and to extensive work with Ford, IBM, Ciba-Geigy (now Novartis), Citibank, Volvo, Amoco, Xerox, and Electronic Data Systems (EDS), as well as one of the large Korean *Chaebols*.

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# Leadership





## INTRODUCTION

# The Oath of Inner Greatness

## Nine Keys to Business Wisdom

A week after the events of September 11, 2001, *Fast Company's* Polly LaBarre, a friend, called me with these powerful leadership questions:

- The big question on the table right now is, How do we behave as businesspeople? How do we reconnect with meaning as we go forward in our work?
- How do we get back to doing what we do—competing, strategizing, working effectively, making deals—without forgetting or trivializing this global tragedy? How do leaders most effectively deal with this tension between getting back to business and paying attention to the aftershocks of this event?
- What can we learn from this event? How must leaders lead and behave in order to keep that lesson alive long after the shock wears off and things go back to “normal”? Philosophers talk about courage, evil, death. Businesspeople don't. But now we have to face these big realities. What can you tell our readers about their responsibility to deal with these forces?

Great questions! They concern the line that separates authenticity from inauthenticity. After 9/11, some people responded below the line: they got sick, became dysfunctional, became dependent, fell apart, and could not go back to effective work. Others responded above the line, with depth and with truth, resolutely and with courage, determined to make themselves worthy of the

enormous sacrifice they had just witnessed. To respond above the line, as they did, is to take responsibility.

Understanding the Leadership Diamond®\* model, which this book describes, helps us come to terms with these tough and eternal leadership questions, because the model is a summary of philosophical perspectives.

September 11 told us nothing new. That's the miracle. What we discovered because of it was always there. True, we did not have the good sense to be alert to these truths. Good times blind us. Bad times reveal the truth to us. Can we ever get past this proneness to illusion?

We think of business casually as being a life without greatness. But do we know what we are talking about? We think greatness is touched, evoked, aroused only *in extremis*. That's precisely where the problem lies. Extreme situations excite greatness because they remind us that we have neglected greatness and it is time we're reminded of it. Crises awaken us, but what we respond to is not the crisis but life itself. Can we understand that? The crisis is the wake-up call. What we then see is everyday life; it's been there all the time. We return to where we have been, but now our eyes are open.

William Blake saw this clearly. "If the doors of perception were cleansed every thing would appear to man as it is, infinite." A crisis cleans the doors of perception. It then reveals the truth. The crisis is the catalyst. What it reveals is life. That revelation is always there for the taking. We just would not take it.

Business carried out authentically is life with greatness. You can never allow life to be otherwise, to be anything less than great. It is a sin to ignore this principle. The Diamond approach does nothing more than to remind you that life without greatness is shabby and degrading, that it leads to existential guilt—guilt because we are responsible for our unfulfilled potential. It is this profound truth that we recapture when tragedy strikes. That is why tragedy in drama is a great art form. The greatest works of art are tragedies: *Hamlet*, *King Lear*, *Oedipus*, *Faust*, *Death of a Salesman*, *A Long Day's Journey into Night*, *The Seagull*. Why? Because they awaken us to the truths of life, not the truths of the play. *Hamlet* is a great tragedy because it deepens life. What's great is life, not *Hamlet*. *Hamlet* is a great wake-up call.

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The Shakespearean tragedy tells me that I have been living without greatness. Shame on me! I will now resolve never again to live without greatness. And let God be at my side to help me keep my promise. Tragedy is a conversion experience—one that lasts forever. And the conversion is to see what has always been. Clifton Fadiman wrote, “When you reread a classic you do not see more in the book than you did before; you see more you than there was before.”

What did I learn? That I must respond above the line. That I must go back to work, not tomorrow, no, today, and resolve to work with greatness and never again forget to do so. Business is an opportunity to do great things, and I have squandered that opportunity and crashed greatness against the rocks of Philistine indifference. I am ashamed.

The Leadership Diamond model is no more than an effort to center greatness once more in the everyday marketplace—never again to let go of it. Stay above the line. This is the dignity of work—of all kinds of work. It’s always there, even while we forget it. Because life without greatness, even one day without greatness, betrays contempt for my Creator, not valuing what my Creator has done in giving me life. Thomas Jefferson writes, “The God who gave us life, gave us liberty at the same time.” And Kahlil Gibran says that work is love made visible.

We can expand on Jefferson by adding greatness. God at the moment of Creation gave us not only life and liberty but the thirst and the capacity for greatness, for doing great things, for service, devotion, dedication, and significance. But greatness is made up of little things.

Executives interested in the Diamond put greatness back into life through business, injecting it then into society at large. Those who show no interest are the naysayers described by Oscar Wilde: “A cynic knows the price of everything and the value of nothing.”

Did not Rudy Giuliani, mayor of New York City at the time of the 9/11 tragedy, say the same? Sweet revenge, he told his constituents, is to go back to work energetically. Then the terrorists will have failed in their goal. Jefferson and Giuliani want us to live above the line.

The only problem rests with people who do not have a commitment to greatness, who drift, running on idle most of the time. They do not value the fact that they are alive, and they feel no obligation to make sense of their lives. They coast, slumber, and

do not wish to be awakened, praying they will die before they wake up. They show no standards, no ambition, and no passionate values. They are not the artists in business, the reformers in life, or the missionaries in organizations. They live below the line.

Why this focus on business? Because it is the center: the economy keeps human beings alive. Through the economy they exist. Work makes meaning.

Above the line, every workday is a concert, a solo retrospective, an Oscar ceremony, an Olympic victory, a Nobel Prize. That is the meaning of hope. And that's what hope means every day.

Too often we think of work as degrading and boring. Our highest responsibility is to protect the sense of destiny, greatness, dignity, and hope by how we relate to work, by the work we choose, and by how we choose to do it.

The disaster reminded us of the attitude toward work that we should have had. Instead, we went to sleep. Polly asks, in effect, should we go to sleep again? How can we? Without guilt? No, Polly, we promise we'll stay awake, permanently awake, for that is how we contribute to our nation's greatness. We can choose on which side of the line to exist.

The disaster reminds us of what we should have done all along but did not. We are not reacting to the Twin-Towers disaster but to the disaster our lives were before the terror. We shall never go back to the same life but return to life as it should have been from the very beginning. Then we were not smart enough to see it; now we are.

Prescription? What will you do? What activities or action steps are relevant and to the point?

Take time out and reinvent and redefine yourself. See how you work and what your job is. Write it down. Appreciate the enduring value of writing as self-expression, thinking, reflecting, discovering new ways of being, responding. Journaling is still one of the most effective paths to salvation. Reread. Revise. And make that redefinition into oath, a conversion. Promise that you will become the person you were meant to be. You resolve to become the person you are and have been but had forgotten. Be relentless.

It's your own fault that you forgot. It is your own responsibility to remember: never again retreat below the line. That's the ultimate New Year's resolution.

Talk about this to others. Ask them questions: How did you feel? Any insights you care to share with me? How will the workplace change? What goes on in a mind that believes, as did bin Laden, that causing a maximum number of civilian casualties is a “blessed event”? What do you need to do in order to justify your existence? What can you tell your children about the meaning of school? Have your values changed? What does your job mean to you today? You and I don’t know each other very well—why not have lunch together? You can then tell me what you are thinking and feeling. Your imagination is the only limit.

On which side of the line are you?

The following inscription appears on the ceiling of the Kennedy Library in Boston: “The life of the arts, far from being an interruption, a distraction, in the life of a nation, is very close to the center of a nation’s purpose—and is a test of the quality of a nation’s civilization” (President John F. Kennedy).

## **The Oath of Inner Greatness: Nine Keys to Business Wisdom**

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It is clear that, worldwide, the need for leadership is unprecedented. Yet few appreciate how difficult it is to be an authentic leader. Just having money or authority does not make people leaders. One feels gratitude toward real leaders, for they have the courage to serve others in circumstances that many individuals avoid or simply cannot handle.

It is difficult to run an organization well. It is difficult to be part of a management team. It is difficult to be accountable. Many executives work very hard and try to do their best. Frustrations are enormous and inevitable. Leaders can be targets of severe hostility—not that it is never deserved; sometimes it is. Nevertheless, the anger of others is difficult to bear.

The post-9/11 manager is expected to be a prophet, poet, philosopher, historian, genius, athlete—in short, a statesman. You need a simple “how to” answer to the toughest challenge you will ever face: what to do when you are required to be a leader.

What are today’s key business issues? What must you really know to run a successful enterprise? What must you understand to be an effective leader? What kind of thinking will lead to promotions?

How will you “grow the business”? How can you improve quality and productivity? What do you require to beat the competition? In short, what really matters?

Here are nine basic themes that can serve as answers. None is new. Plato said that knowledge is recollection; the following is to remind you of what you already know.

## Theme 1: Personal Responsibility

One job stands out above all: learning the meaning of *personal responsibility* and knowing its rootedness in your free will. In some fundamental sense, it’s all up to you. Freedom and responsibility—two faces of a single coin—are philosophical and theological (even political) concepts but not really scientific ones. And before you can use them, they must be clear to you. Civilization, let alone business, stands or falls on fully understanding and courageously implementing this one point. This insight, before you can fully use it and make it a tool, must be crystal clear to you.

Specifically, leading requires ownership of the meaning of personal responsibility and accountability. It means fully internalizing the human truth that, in your world, nothing happens unless you make it happen. You must understand that the consequences of your action and inaction are like your children: you create them, they are extensions of you, you are responsible for them, for you are they, but they live their own lives nevertheless. It is therefore a “fact” of the structure of human nature that you are responsible for your world. Dependency and paternalism are cruel illusions. The real world is made for the autonomous and self-reliant individual.

Leading also means achieving access to the will—the engine that propels you to action. Leading is to claim the power of your freedom, your essence as a self-starter. Leading requires changing not only the way you think and the way you act but the way you will. Leading is taking charge of your will—the innermost core of your humanity.

The most important myth of our civilization, the Biblical story of creation, underscores this point: “In the beginning, God created the heavens and the earth.” This is the ultimate symbol of initiative, of creativity, of being a self-starter, of freedom—in short, of

free will. The very cosmos itself is supported by a metaphysical act of freedom. “God created man in his image, in his image created he him, male and female created he them.” Not only is the Ground of Being a self-starter, *so are you!*

You are free. And we mean by this that you possess free will, not necessarily political freedom. Political freedom can be taken away from you, but your free will cannot. That freedom is a philosophical and theological fact, not a scientific fact. But your freedom is constrained by two opposing facts. For one, you are not free to give up your freedom, that is, you are not free to “choose to choose.” Only death can deprive you of that last sliver of free will. The second is that freedom is confronted with the fixed alternatives of the real world.

Happiness and success are directly proportional to how wide that spectrum of pure freedom is—between its two constraints of being born irrevocably free and living in a world governed by deterministic natural and social laws. The space of freedom you create for yourself between these two constraints is the source of your deepest fulfillment as a person and your most dramatic effectiveness as a leader.

## **Theme 2: Business as a Vehicle for Achieving Greatness**

Business is not first and foremost about making money or products, or offering services. Business, as commerce, is above all a vehicle for achieving personal and organizational greatness. It is for accomplishing something worthy and noble. Business is an institution that can enable you to make significant contributions to society. It is important that you connect your work with your personal depth. In fact, you must learn to value the pain of growing. And the significance of your job is not that it offers you security but that it demands from you personal growth.

But business is more than commerce. It is a conceptual framework and a way of thinking. It is the language of effectiveness, helping you to get things done.

The real world is governed by economic forces. Business, the heart and soul of the market economy, is therefore one of the strongest global forces. If today you want to participate in transforming the

world we need tomorrow, then business is the right place for you. In business, money is critical, of course, but you will never get where you want to go unless you remember one thing: for authentic leaders, profits and rewards are not the goals; they are a way of keeping score.

### **Theme 3: Two Sides of Leadership**

Leadership has both a strategic and a personal side—one left-brain, the other right-brain; one tough-minded, the other tender-minded. Strategic thinking deals with external alliances, product positioning, and organizational structure. Externally, the strategic side involves negotiating mergers and acquisitions, floating loans, and issuing shares. It concerns market penetration and corporate positioning, finance, engineering, law, research, and product definition. Internally, the strategic side of leadership involves product development, organizational structuring, reporting relationships, project management, self-managed work teams, assessment, compensation, and benefits. Strategies are the province of the natural, life, and behavioral sciences.

The personal side concerns motivation, character, maturity, will power, freedom, meaning, creativity, ethics and values, culture, responsibility and accountability, loyalty, commitment, self-sacrifice, love, courage, genius, and other qualities. These virtues are in the province of the humanities—philosophy, theology, literature, and the arts.

The strategic and the personal sides of leadership are sometimes called, respectively, *hard* and *soft*, but these are misnomers; nothing is harder than a resolute personal will and nothing softer than a loaf of fresh bread.

### **Theme 4: Personal and Strategic Parts of Leadership**

The sustained competitive advantage of any business is a culture that supports the company's short-term as well as long-term business objectives. The personal side must support the strategic side. Paradoxical as it may seem, the personal precedes the strategic;



good strategy is created by a brilliant mind and implemented by a strong character, not the other way around. The relationship is transitive. It is a vector. So it is with high technology: computers do not make people, but people do make computers.

Too often, the fundamental relationship between the strategic and personal sides of leadership is not understood. Moreover, the personal side is all too commonly neglected; it is not taken seriously enough, not adequately cultivated, and not even managed professionally. The exquisite care and precision invested in research and finance are rarely replicated in the realms of managing feelings and coping with the will.

The strategic side may deal with leadership practices and behaviors, but the personal side deals with the free decisions that human beings make about values and about how to treat one another and themselves. Leadership practices and behaviors may vary. Leadership personality types may differ, proliferating like the branches of a tree, but the freedom of the will is always one and the same, for it is the rooted trunk.

Project and matrix management, usual examples of internal strategy, should improve efficiency and quality but frequently fail to do so. The mistake lies in thinking that human beings improve if the system changes. This ignores the personal side, because the deeper transformation required for productivity is an act of will: the free decision to be an adult and a mature human being in the conflicting loyalties of the matrix organization. And that resoluteness comes from a different part of the soul: it comes from the heart, not the head; the personal side, not the strategic.

A manager may think that what is needed is more strategy when, in fact, the root problem is the manager's own depression, burnout, and lack of will—the unwillingness to generate internally the energy and enthusiasm required for remotivating the entire organization. What is needed is new health and fresh determination, not necessarily new data and new systems. This transformation occurs on the personal, not the strategic, side of leadership.

In sum, the personal side of leadership must always address the business objectives of your company. A business depends on its stock value to survive. It cannot be a charity, nor can we think of employees' welfare in isolation from business needs. At the same

time, business is people. We often forget that, but even as we remember we still fail to manage people with authentic dignity.

The business objectives of a company are the four *p*'s: *profits*, *people* (or morale), *products* (or services), and *pride* (preeminence, prestige, and social significance). A company needs profits for survival. Making profits is the nature of business. A company must be an enriching place in which to work. Employees spend important years of their lives there, and working should produce fulfillment, not anxiety. A company's product or service, its *raison d'être*, must be of the highest quality, for quality is not only a business necessity but a moral imperative. To give customers shoddy quality is to cheat them. Finally, a company has the additional ethical obligation to be a useful member of society, to contribute to a better world. If we integrate these four business objectives with the primacy of the personal side of leadership, we get the secret of gaining the competitive advantage: where people grow, profits grow.

### **Theme 5: Teamwork as a Requirement of Leadership**

Leadership requires teamwork. The leader has the special skill of combining aggressive personal ambition, independence of thought, and individual resourcefulness on the one hand with thinking always in terms of cooperation, communication, concern for others, doing things together, motivating people, interesting them in growth, and enlisting their help on the other. This marriage of individualism with community is a consummate art form. It defines the mature leader.

### **Theme 6: Transformation as a Requirement of Leadership**

Leadership requires a change in how you act, preceded by a conversionlike transformation in how you think. Yesterday, confronting people was an overwhelming threat. Today, after transformation, you use confrontation continuously and forget what it was like to fear it. Yesterday, you were paralyzed under the weight of bureaucratic detail. Today, after transformation, you cannot even re-

member what it was like to worry. Yesterday, fixing your attention was impossible. Today, after transformation, nothing has the power to distract you. Yesterday, it embarrassed you to be different. Today, after transformation, being different makes you proud.

Leading requires a refocusing of the mind. Leadership is a unique and often new mode of perception. The proper word for it is *breakthrough*. Incremental improvements are indeed desirable. Leadership, however, like yoga, means taking charge of how the mind works—redirecting how you think and act. It is taking the oath of excellence.

The Leadership Diamond model represents a mature analysis of the transformed leadership mind. It can help you achieve for yourself, and for your organization, precisely this new level of high effectiveness.

The Chinese sage Chuang Tzu said, in the fourth century B.C., “How shall I talk of the sea to the frog who has never left its pond?” Supporting you in reaching the goal of radically reforming how your mind works is the heart of the Leadership Diamond model.

## **Theme 7: Greatness in Leadership**

To the leadership mind, greatness matters. Specifically, a leader is a person who is truly effective in achieving worthy results in any field, no matter what the obstacles and with unfailing regard for human beings. A leader is a person of unimpeachable character, an individual thoroughly to be trusted. Leaders are open-minded—good listeners, flexible, secure in the knowledge that they alone do not have all the answers.

In learning to use the Leadership Diamond, one meets with resistances. They may be personal or internal psychodynamics (such as left-brain only as opposed to both left- and right-brain thinking, paranoia, withdrawal, guilt, or envy). They may be external systems (company culture, ethnicity, national character, the work ethic). They may be economic constraints (colossal debts) or political realities (dictators). Finally, they may be philosophical or existential structures, obstacles in human nature that inhibit the ultimate creative act: to transform abstract thought into live action. A leader engages these resistances and overcomes them.

The Leadership Diamond model can help you honor your inner side of greatness. Through the model, you will end up with an organization in which you think and act in accordance with the desiderata of the Leadership Diamond model; you'll be discussing with others their dimensions of leadership in terms of the model; virtually every member of the organization will endeavor to think and act in conformance with the model. Everyone will have been invited to become a manager-educator, a leader-teacher, and an empowered learner. This ensures the genesis of greatness. To be a leader is first to be a leader in your own life. This is what separates the adults from the children.

### **Theme 8: Greatness in All Things**

This transformation, to be authentic, must occur in all six arenas of life: work, family, self, social responsibility, ecological responsibility, and financial strength.

### **Theme 9: How Greatness Is Achieved**

The “how” is always the most important issue: you lead by empowering your people, by developing them, by educating them to be leaders. The leader is a teacher, and you lead not only by creating systems and assigning work but by developing people. Effective empowerment is based on a simple formula, the product of autonomy, direction, and support:  $E = A \times D \times S$ .

Thus leaders lead by teaching, that is, empowering, and what they teach is how to attain a different, uncommon, but highly specific form of intelligence: the Leadership Diamond method of thinking and acting. In sum, leading is teaching leadership, which, in turn, depends on understanding the model.

And how does one teach this form of leadership? You teach it in the classroom, of course, with books, lectures, discussions, exercises, papers, and examinations. But you learn it best from experience, from practice—by doing it; that is the greater knowledge. More important yet, before you teach leadership you must learn it yourself, making the personal commitment, as in an eternal oath, to think and act the way a leader does. In your whole life, you must model leadership.

But you also must expect leadership. You and your organization must feel the cognitive dissonance between your current reality and your leadership demands. If they are not congruent, the pain of the contrast mobilizes the necessary energy. Hold on to your oath of greatness, and nature will generate high-quality leadership performance for you and your organization.

Here, then, is your formula for leading the effective organization of tomorrow.



**PART 1**

# **The Model: What Is Inner Greatness?**





## CHAPTER 1

# Foundations of Leadership

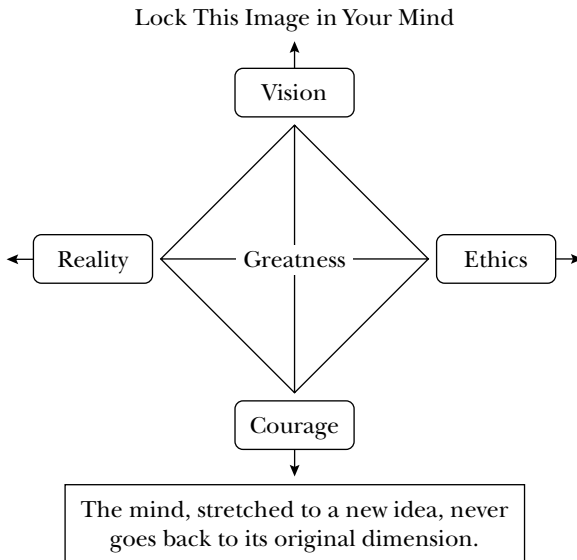
“We are such stuff as dreams are made on, and our little life is rounded with a sleep,” Shakespeare tells us in *The Tempest* (act 4, scene 1). So is the Leadership Diamond model surrounded with a context, and in order to appreciate its celebration of life, we must first understand what this context means.

The heart of the Leadership Diamond model is presented in preliminary form in Figure 1.1. Greatness lies at the center of the Diamond; the space it inhabits results from the simultaneous activation of four fundamentally different styles of thinking or ways of greatness: *vision*, *reality*, *ethics*, and *courage*. We begin to examine these dimensions in the next chapter.

But before we are ready to embark on this analysis, certain preliminaries must be discussed. They are the ground, the basis, the assumptions necessary to clarify the Leadership Diamond model. These must be dealt with before the mind can be uncluttered enough to address the kernel of the Diamond itself.

Both the model proper and its contextual foundations are outlined in the accompanying Toolbox, which is the summary of Leadership Diamond theory. The theory may be one man’s opinion, but it is far from arbitrary. The Toolbox summarizes learning, over a lifetime, from dialogues with successful leaders, fitted into the context of philosophy. The value of the Toolbox lies in its succinctness. Its very brevity, however, demands that it be explained.

The outline of the Toolbox centers on greatness. There is a *what* and a *how*: What is greatness? How are we to achieve it? We

**Figure 1.1. The Leadership Diamond Model**

get to the *what* of greatness first, in this chapter. Then, in Chapters Two through Six, we discuss the *how*; in Chapters Seven and Eight, we return to further examination of contextual and peripheral matters.

## The Pragmatic Definition of Greatness

Much of the material that is here called foundational is encapsulated in the pragmatic definition of greatness, which is the first part of the Toolbox. We next present, in annotated form, some of the major points.

- *The problem:* Business is in a permanent “white water” condition (chaos, either random or lawful, but with the added complexity of human freedom).

## The Toolbox

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The Leadership Diamond Toolbox summarizes the Leadership Diamond theory. It contains all you need to know about the leadership mind. The Toolbox uses such words as *strategies* and *tactics*. The rationale of using such terms is to integrate philosophy into business; in this context, terms like these are easily understood. But strategies are also “dimensions,” and tactics are also “resources.” There may also be terminological difficulties with such words as *greatness*, *ethics*, *autonomy*, *inner space*, *anxiety*, and *contact*. Because the concepts matter, not the language, the hope is that words will not stand in the way of ideas.

### The Leadership Diamond Model

Practical Tools to Challenge the Inner Side of Greatness  
An International and Intercultural Value System

## Definitions of Greatness

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*The problem:* Business is in a permanent “white water” condition (chaos, either random or lawful, but with the added complexity of human freedom).

You must therefore change: work smarter, not just harder; work differently, not just better; work in breakthrough ways, not just incrementally.

*The solution:* Develop a leadership mind. Leadership means greatness in all you do.

### *Pragmatic Greatness: Effectiveness*

1. Be effective. Emphasize results, both through management by objectives and by process.
2. Understand that leadership is a mind-set and a pattern of behaviors. It is to have made a habit of a new way of thinking and a new way of acting.
3. Be prepared to wake up and to change your perceptions and concepts radically (transformation, conversion) with respect to the human potential and to cultures (corporate, ethnic, national).

4. Lead by teaching leadership, by empowering (releasing people's volcanic energy and creativity), by fostering autonomy, providing direction, and lending support. A teacher is an experienced and relentless learner.
5. Have faith that leadership can be learned and that it can be taught.
6. Know that the leadership mind can hold opposing ideas and contradictory feelings at one and the same time. It can achieve comfort with the tensions of ambiguity, polarity, and uncertainty. The leadership strategies are instruments of an orchestra, playing different melodies to create one symphony.
7. Be a leader in five arenas of life: work, family, self, social responsibility, and financial stability.
8. Inform your products and services with a leadership-teaching component. You do not sell a product or service; you help customers buy leadership in their affairs.
9. Use both reason and models (living from the "outside in") and instincts and intuition (living from the "inside out").
10. Expect leadership to lead you and your organization to a higher state of health (associated with psychoneuroimmunology in medicine and with the concept of salvation in theology).

#### *Philosophical Greatness: Character*

1. Honor life by striving for depth and for perfection (self-transcendence) and by devoting yourself to what is worthy and noble. Have standards for their own sake.
2. Stand up to death and evil.
3. Be humble. Be open-minded. Listen. Understand the magnitude of self-deception, and identify your resistances to authenticity.
4. Appreciate what we can call the mystery and miracle of being.

### **Greatness: Strategies**

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How do you achieve greatness, that is, one single harmonious image, nevertheless rich with the stress of internal contradictions?

#### **Strategy: Vision**

*Formula statement:* A visionary leader always sees the larger perspective, for visioning means to think big and new.

*Supporting Tactics*

- Professional level: abstract reasoning and analysis
- Social level: systemic and strategic thinking\*
- Psychological level: creativity and the unconscious
- Philosophical level: expanding and exploring inner or subjective space-time; awareness of your possibilities

**Strategy: Reality**

*Formula statement:* A realistic leader always responds to the facts, for realism means to have no illusions.

*Supporting Tactics*

- Professional level: meticulous attention to practical details; attending to the precise needs of your immediate and end customers (use high technology)
- Social level: extensive information and objectivity
- Psychological level: survival (take care of yourself); relentless results orientation and market orientation\*
- Philosophical level: direct contact and embodiment—with yourself, with other selves, and with how others perceive you (bonding and definitions of mental health)

**Strategy: Ethics**

*Formula statement:* An ethical leader is always sensitive to people, for ethics means to be of service.

*Supporting Tactics*

- Professional level: teamwork, loyalty to task forces\*
- Social level: meaning
- Psychological level: communication, caring, love, commitment, loyalty
- Philosophical level: integrity, morality, principle

**Strategy: Courage**

*Formula statement:* A courageous leader always claims the power to initiate, act, and risk, for courage means to act with sustained initiative.

### *Supporting Tactics*

- Professional level: aggressive education and management of markets, product advocacy (stand for something)
- Social level: aloneness, autonomy, and independence of thought (stand up to the world)
- Psychological level: anxiety (face it, stay with it, explore it)
- Philosophical level: free will and responsibility, energy and power, centeredness (confidence, hope)\*

### **Polarity**

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The parallelism of opposites is a feature of existence as pervasive as it is ignored. Synonyms are *paradox*, *contradiction*, *uncertainty*, *ambiguity*, and *chaos*. We demand clarity but get double-talk. To manage polarity successfully in every one of the strategies and in their interrelationships is the mark of a mature leader.

In sum, the Leadership Diamond says this:

- *Greatness* means that you have standards.
- *Vision* gives you the larger view.
- *Reality* means facing the marketplace, the pragmatic facts.
- *Ethics* means people, that is, valuing feelings.
- *Courage* is the power and the freedom of the will.

The Toolbox is like a map showing the resources of the leadership mind. Which tools are you using, and which are you not using? How do you think you can best grow as a leader?

Effectiveness becomes your personal choice.

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\* Critical success factor

The fundamental business problem is stated in terms of chaos: a world difficult to understand and impossible to predict. Chaos not only means randomness but is compounded by human free will. Even if we had a theory of randomness, the free choices of men and women could always invalidate our most sophisticated predictions and probabilities.

You must therefore change. You must work smarter, not just harder; differently, not just better; in breakthrough ways, not just incrementally.

- *The solution:* Develop a leadership mind. Leadership means greatness in all you do.

What paradigm shift will give you the competitive advantage? To work smarter means to make the commitment to the leadership mind. It is as if you were to take an oath—the oath of leadership—that henceforth your mind shall always function in accordance with the criteria of the Leadership Diamond.

There is a pragmatic and a philosophical definition of greatness. The pragmatic definition consists of ten propositions that seem to work in practice. If you think the way the propositions suggest, the promise here is that your leadership capacity will at least double on any terms you choose for measurement. The key word here is *effectiveness*. The deeper, philosophical definition of greatness centers on character, that is, human authenticity and depth—the fully developed mind.

## Ten Leadership Propositions

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*Proposition 1:* Be effective. Emphasize results, both through management by objectives and by process.

This is the overall meaning of leadership. If one word can summarize leadership, it is *effectiveness*—results. Rather than choose one style of management over another, the suggestion here is to use both. Whether you plan exactly how to achieve a precise goal or concern yourself with ongoing improvements may matter little. Each approach has its merits and is radical in its own way.

*Proposition 2:* Understand that leadership is a mind-set and a pattern of behaviors. It is to have made a habit of a new way of thinking and a new way of acting.

Leadership is a way of thinking and a way of acting, and it is new. It is an attitude, a mind-set. The Leadership Diamond suggests not so much specific leadership practices as a direction to the mind. It is like health. Medical practice does not tell you what to do with a healthy life; it promotes health, period. But that is enough. So it is with a philosophy of leadership. You will be a

leader in all you do. Exactly what you do is less relevant; you will figure that out yourself. But whatever that is, you will do it better.

*Proposition 3:* Be prepared to wake up and to change your perceptions and concepts radically (transformation, conversion) with respect to the human potential and to cultures (corporate, ethnic, national).

Leadership is a conversion to experience. It is a new alertness. It is a “snap” in the mind to a fresh reality. This is the breakthrough theme. Its models are religion, art, politics, and love. The focus is on breaking through to new worlds, on thinking differently, in dramatic ways.

*Proposition 4:* Lead by teaching leadership, by empowering (releasing people’s volcanic energy and creativity), by fostering autonomy, providing direction, and lending support. A teacher is an experienced and relentless learner.

*Proposition 5:* Have faith that leadership can be learned and that it can be taught.

Too many people say that leadership cannot be taught. That may be true, but it is irrelevant. It may be better to agree that leadership cannot be taught but insist that it can be learned! The helpful technique is to know that you lead by empowering people, and empowerment is a form of teaching. In fact, it is the best way to teach.

You do not give up on yourself or on the subordinates you need. There will always be people not interested in leadership, but they will be replaced with machines. Many modern businesses cannot afford to hire managers not interested in developing a leadership mind. There is no room in modern organizations for people not prepared to make the decision to think and act as leaders do. More and more CEOs are saying just that and letting their organizations know that they mean it.

*Proposition 6:* Know that the leadership mind can hold opposing ideas and contradictory feelings at one and the same time. It can achieve comfort with the tensions of ambiguity, polarity, and un-



certainty. The leadership strategies are instruments of an orchestra, playing different melodies to create one symphony.

For many executives, this point is central. This is the principle of polarity. It comes as a relief to know that confusion is in the nature of things. Lifelong efforts to remove frustrating contradictions suddenly cease to be a worry. A weight is lifted. Managing is no longer arduous but actually becomes easy and is even fun.

*Proposition 7:* Be a leader in all six arenas of life: work, family, self, ecological responsibility, social responsibility, and financial strength.

This seems exceptionally important. Leadership is holistic. It is, in your life, a global need. Many people have an “A-ha!” experience when challenged with this point. Why financial strength? Is that not out of character? Perhaps. But we are dealing here with business, and business is all about money. And for most people in this world, financial strength is their first concern. If that part of their life works, so can everything else. But if that fails, the rest is of little use. Most students go through school without learning financial literacy. They become literate in their own language, maybe also in another. They are likely to learn computer literacy, essential for today’s business and science. But few if any learn financial literacy, the meaning of money, and the instruments available for its management; the price they pay for this ignorance is a lifetime of anxiety that could have been avoided.

*Proposition 8:* Inform your products and services with a leadership-teaching component. You do not sell a product or service; you help customers buy leadership in their affairs.

Selling anything means helping customers buy leadership in support of their own values. That is the first principle of business. Teaching leadership—empowering—is not only a principle of management. It goes deeper. It is a principle of marketing. It is the heart of the business. If you teach leadership to your customers, then you will prosper, for you will have created a satisfied customer. If you merely sell something to your customer, they will feel exploited and become hostile.

*Proposition 9:* Use both reasons or models (living from the “outside in”) and instincts or intuition (living from the “inside out”).

Let us be fair. To create a model of success and then train your mind to follow it is surely effective. It is the yoga of business. The mind’s discipline is the body’s success. This approach is used in the performing arts, in athletic competition, in public speaking, and in salesmanship. But if we are to be truly multicultural, we must acknowledge that there is another way. “Going with the flow” may be too simplistic, but it means not imposing anything on your mind—not disciplining it (that would be too Victorian) but presuming that it has its own secret inner voice, silenced for too long. Once the chatter ceases and the interference stops, the mind may talk back with its original, pristine needs. These may be quite different from what business has learned to prize. Intuition means that you listen to this inner voice.

*Proposition 10:* Expect leadership to lead you and your organization to a higher state of health (associated with psychoneuroimmunology in medicine and with salvation in theology, as suggested earlier).

This point is controversial. Your state of mind influences your body’s health. Few doubt it, but even fewer can show any exact correlation. The hypothesis offered here is that the Leadership Diamond, based as it is on the tradition of the humanities, delineates the way you must think if your mind is to influence your physical health. The subjective power of a healthy mind is translated into the objective power of your immune system. But this connection presumes an in-depth understanding of the Leadership Diamond theory of personality, and that is not easy to accomplish. This is an important hypothesis, and it must not be presented irresponsibly. This last point is stated here with as much caution as fervor.

## **The Philosophical Definition of Greatness**

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At the center of the leadership mind is greatness—statesmanship. Greatness may not be a sufficient condition for effective leadership, but it surely is a necessary one. In effect, you lead people by

modeling greatness. Before we delve further into the Leadership Diamond model, it is important to pause and reflect on what philosophical greatness is.

Philosophical greatness is the commitment to relinquish mediocrity forever. Greatness is not sought because it furthers other values. It is not an instrumental good. Greatness is an intrinsic value, an inherent good, a pure virtue. It is good in and of itself. It is to be sought for its own sake. It is chosen as a way of life because it is right, because it ennobles the human spirit, because it honors the fact that we are alive, and because it is our meaning for being on this earth. The fact that the commitment to greatness is good for politics and business, medicine and literature, and everything else it touches is almost incidental.

How do you motivate people? By giving up techniques and by risking—you, yourself—in a personal, lifelong commitment to greatness. Can this pursuit of greatness be taught? Let's just say it can be challenged into existence.

Greatness is the struggle against mediocrity. It is the upgrading from good to excellent. At a profound level, greatness is the struggle against nihilism (what philosophers call the descent into nothingness). Nihilism involves accepting an inner emptiness as tolerable, even natural. This inner emptiness is then covered over with sensory hyperexcitation—thrills for the sake of thrills, thrills to extinguish any remnants of spiritual depth, thrills to hide the horror of the hollow darkness. It is because of nihilism that there is evil in the world, the cruel indifference to human suffering. Ultimately, nihilism is the unwillingness to confront the painful mystery of death.

In a later chapter, you will read about a general who proposed that confronting death is a necessity for the leadership mind. This view is not so remote from leadership in business as it might seem. Death makes one honest. It gives one the sense of time. Death is the source of anxiety and the motivation for seeking depth. John Donne refers to “the Democracy of Death: It comes equally to us all, and makes us all equal when it comes.” To be great is to stand up to nihilism. It is to live out the belief that perfection matters, that excellence—as in sports and the arts—is worth pursuing for its own sake. Leadership means that transcending the self is an inherent value.

Greatness means more than facing death and confronting evil. It also means appreciating the mystery of being, the miracle that things are, the inexplicable truth that there is a world, and the wonder that consciousness and perception exist, for they are the only miracles we shall ever need. To acknowledge them is to step into a separate reality. Greatness is having a sense of the esthetic and a feeling for the religious. Greatness is appreciating the value of art and the religious sensibilities of humankind.

Attempts to live out greatness inevitably summon resistances. The resistances to greatness (discussed in more detail later) fall into three categories: (1) psychodynamic, (2) systemic, and (3) existential resistances.

First are the *psychodynamic* resistances, the unfinished childhood business, the neurotic behaviors. These are modes of coping appropriate to the different reality of an earlier age. They are atavisms, residues from long ago, encrusted in the soul's perceptions and in the body's behavior patterns. They must be shed and not—as is usually done—exaggerated. A good example is dependency—the unwillingness to take personal responsibility. Children are taken care of; adults take care of themselves. That is a key principle for successful competition in the marketplace.

Second are the *systemic* resistances. Systems essentially do not change. Their inertia stops movement. Some people, regrettably, act out the system's resistance to change. They are marionettes. They rationalize. From a helicopter point of view, their behavior is transparent, but from the myopia of their own inwardness, the irony is virtually imperceptible. People often espouse political positions that they believe are the result of independent thought, when in truth they are but the automatic parrotings of what society has taught them.

Third are the *existential* resistances we find to the radical transformation of worldviews that is required when we move from reflection to action. Because many people do not believe that leadership requires conversion, they hope that theory will automatically be translated into action. They ignore the anxiety of shifting world designs, the fear induced by change. Change leads to uncertainty, to insecurity. It leads to anxiety and then to isolation. We feel out of touch, and it hurts. That is why the twentieth century has been called the Age of Alienation.

The concept of self-deception is an entry into the realm of the unconscious. The unconscious is *prima facie* a contradictory concept, but it is essential to carrying out a successful transformation. In-depth change is not possible without touching and exploring unconscious material. Resistances to authentic personal and organizational existence express themselves differently in each one of the dynamic corners of the Leadership Diamond. Resistance to vision is blindness. Resistance to reality is denial. Resistance to ethics is indifference. Resistance to courage is fear.

To repeat, greatness means to

1. Honor life by striving for depth and for perfection (self-transcendence) and by devoting yourself to what is worthy and noble. Have standards for their own sake.
2. Stand up to death and evil.
3. Be humble. Be open-minded. Understand the magnitude of self-deception, and identify your resistances to authenticity.
4. Appreciate the mystery and miracle of being. (See the Toolbox.)

To these four characteristics of greatness correspond the four levels of depth that we will explore in the tactics of all the dominant leadership strategies. To honor life by achieving something noble with it is an everyday task. It is the background for all of life. That is the *professional* level. To stand up to death and evil represents one's contribution to the social order. This defining trait of greatness therefore describes the *social* level. To identify resistances is to touch the unconscious—to reach out to intuitions, to the roots of feelings. This refers to the *psychological* level. Finally, the miracle of being stands for the *philosophical* level, par excellence. Individuals who cannot relate to these themes of greatness are not the kinds of people we want for our leaders.

## **Greatness and Ultimate Questions**

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The opposite of greatness is depression. Greatness is the decision to live, to say yes to the life force, to choose to be constructive. Depression is not only to have given up the will to live (not “lost” it, for you are responsible) but actually to have chosen its converse—to want to die, to be destructive, to obstruct progress—for the depressed person is not only sad but chooses not to be helped.

Shakespeare, in *Twelfth Night* (act 2, scene 5), writes, “Be not afraid of greatness: some are born great, some achieve greatness, and some have greatness thrust upon them.” How much attention do *you* give to greatness? In *Henry VIII* (act 5, scene 5), Shakespeare gives an even stronger eulogy to greatness:

Whenever the bright sun of heaven shall shine,  
His honor and the greatness of his name  
Shall be, and make new nations.

Greatness, however, is not limited to famous figures. In the aftermath of the terrorist attacks of September 11, 2001, stories abounded describing the heroism of victims, emergency workers, and others. Perhaps most dramatic is the story of passengers of United Airlines Flight 93, hijacked after taking off from Newark, New Jersey. Several of the passengers learned of the attacks on the World Trade Center and the Pentagon from cell phone conversations and decided to take action, in spite of their fear.

Todd Beamer, Mark Bingham, Tom Burnett, Jeremy Glick, Lou Nacke, and perhaps others attacked the hijackers. “Are you ready? Let’s roll,” [a GTE Airfone] operator heard Beamer say. We do not know exactly what happened. But the plane went down in rural Pennsylvania and did not crash into the White House or the Capitol. [Barone, 2001]

Greatness emerges in everyday situations as well. Periodically, for example, *Newsweek* has published an edition saluting everyday heroes—people quietly making a difference in communities across the country by contributing to the welfare of others. The May 29, 1995, issue mentions Anita Septimus, a social worker for HIV-infected children in New York City. Her job is

helping families make the most of the lives they have. Happily, that time is expanding for some of them. One AIDS baby at the center wasn’t expected to see her first birthday. Now she’s 10 years old. Such “long term” clients give Septimus something in return—what she calls an “indestructible sense of hope.” As she puts it, “You don’t choose the day you enter the world and you don’t choose the day you leave. It’s what you do in between that makes all the difference.” [Chinni et al., 1995]

Another of *Newsweek's* everyday heroes is Pedro Jose Greer, a physician whose clinic in Miami is one of the largest medical facilities for the poor in South Florida. The clinic began in a shelter, where Greer, an intern, provided medical care for homeless people. Once, as a patient lay dying, "Greer spent four days searching the streets for the man's family, hoping to keep him from passing his last days alone," according to *Newsweek*. Greer, who has won numerous awards, is "surprised by the attention he's received. He says: 'I've had the privilege of treating the sick and the honor of working with the poor'" (Chinni et al., 1995).

The eternal questions emerge also in the concerns of executives. Asked what their one root leadership question is, executives in my inner-side-of-greatness seminars are led through a Delphic Oracle exercise. Like the great and powerful of antiquity, they "ask" questions of the god Apollo. After considerable reflection, they formulate anonymous questions. In so doing, they demonstrate deep sensitivity to the eternal questions (some of the questions used in this book have been rendered into English from other languages), which arise camouflaged in many forms (for instance, there are many symbols of death, such as rejection or retirement). Here are some examples:

### *Oracle Questions*

I *love* my present job within the company structure. I can see that the realization of my life's work is coming within reach. My colleagues and staff represent the closest personal relationships (contact with my family is loving, but quite infrequent). I may need ten to twenty years more to bring home the needed changes in process, systems, and people. My question: How do I reconcile the implicit dichotomy? I want to spend all my time on my dreams, time that I enjoy most, and every day, yet retirement will terminate my work and leave me stranded in a vacuum of not having an intimate relationship and/or alternative goal.

How do you balance the need to be loved with the loneliness of leadership?

What is the purpose of the intense efforts toward self-improvement and development, if the end result is death?

I have, in my life, been burdened with a series of personal tragedies, which have left a certain residue of bitterness. From a philosophical point of view, how can one rationalize that such experiences were “useful” in developing one into the person he is now?

Although I am relatively comfortable with my present perception of self in pursuit of greatness, I don’t believe the real me has emerged. How do I find the real me in such a way as to enhance the value of the rest of my life?

Dear Oracle: I have three questions. (1) How can I achieve a higher level of self-development while so encompassed by mental struggles with impersonal data? (2) What does God want from me? (3) How do leadership qualities work or apply to life after work (retirement)?

How do I discover the real purpose of my life?

I am, perhaps, at the midpoint of my life. I have been successful so far, as many would judge success—married, and happily so; a parent, and happily so; and engaged in fulfilling and challenging work. But if I ask whether what I am doing will take me on a trajectory of being all that I can be—of contributing something to the world that will truly mean I made a difference—then what I am doing presently is not enough. My question: How do I choose where to go to offer my gifts? No one issue, as yet, beckons me in a compelling way; no one people speak to me to join my strengths to theirs. Will I know the issue when it comes? Will I recognize my people when I pass among them? Or is it the leader’s task to choose—now—despite the uncertainty?

## The Contemporary Need for Greatness

Late in 2001, *Fortune* magazine made this assessment:

After years of losing ground to its dowdy cousin, Management, Leadership is back. And it’s looking more vital than ever: With the double threat of terrorism and recession in the air, employees are worried about both their lives and their livelihoods. The current crisis has transformed George W. Bush’s presidency and Rudy Guiliani’s place in history—and it’s likely to affect your career too. [Useem, 2001, p. 126]



As we have seen, extreme situations like those of 9/11 remind us of the need for greatness. Mayor Guiliani urged us to return to work energetically in response to the crisis, and President Bush made a similar request in his address to Congress on September 20, 2001:

Americans are asking, what is expected of us? . . . I ask your continued participation and confidence in the American economy. Terrorists attacked a symbol of American prosperity. They did not touch its source. America is successful because of the hard work and creativity and enterprise of our people. These were the true strengths of our economy before September 11th, and they are our strengths today.

Greatness, as these statements suggest, is linked with work. As a rule, when prosperity rises, the work ethic disintegrates. Conversely, as unemployment rises, absenteeism diminishes. When prosperity is threatened, the work ethic improves. Nevertheless, people spend at work the best hours, days, and months—that is, the finest years—of their lives. The results of work without meaning would be depressed, even wasted, lives, as well as ineffective and therefore noncompetitive organizations.

Today we need greatness in our commitment to the work ethic. Every person faces the ethical responsibility to make a root leadership decision: to create a life of meaning, a commitment to worthiness, a devotion to excellence. If that person is a manager, then only to the degree that he or she releases greatness, creativity, and excellence in his or her subordinates is that person doing the job for which a salary is collected.

The ethical leadership decision to bond meaning with work can go only two ways: resign from work and choose something else that leads to authentic meaning (even though also to poverty), or—and this is what really matters—invest with profound and self-chosen meaning the work that you are now actually doing—or could be doing. That is the Zen of work, the decision to sanctify the work you do—not because the company requires it (which of course it does) but because the salvation of your soul demands that what you do every day be crafted like a poem, be composed like a work of art and illumined by a halo of profound significance. Herein resides the renewal of the work ethic. Kahlil Gibran ([1923] 1988, p. 30) said it well: “Work is love made visible. And if

you cannot work with love but only with distaste, it is better that you should leave your work and sit at the gate of the temple and take alms of those who work with joy.”

Now that we have discussed greatness in both its pragmatic and philosophic aspects, we are ready to consider the more emotional elements of a commitment to greatness. Specifically, we consider the nature of the breakthrough.

## The Breakthrough

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The leadership mind is radically different from the ordinary mind. The shift from the latter to the former is a conversion, a transformation, a breakthrough. The leadership mind, mind-set, or intelligence is a radical departure from ordinary, everyday consciousness. The “leadership turn” is a paradigm shift. It is a transformation. It is like enlightenment. Other and related expressions for this new leadership awakening are *expanding our possibilities*, *developing the human potential*, *the exhilaration of discovering one’s freedom*, *enthusiasm*, and *positive thinking*. All add up to one thing: the joy of a leadership mind.

The radical transformation or paradigm shift—the mind’s snap into something different—can be horizontal, or it can be vertical. Horizontal transformation means that the leadership mind expands by challenging itself to brilliance and creativity. Vertical transformation is deep and high. Here, *high* means that in transforming the personal side of leadership, we get in touch with the eternal questions. *Deep* means we touch the unconscious and assiduously dare to go where the pain is.

We find examples of similarly radical transformations in conversions following a religious experience, in reconstructive psychotherapy (such as psychoanalysis), in culture shock, in artistic inspiration, and in Plato’s famous Allegory of the Cave. Plato writes about prisoners in a cave, watching shadows that they accept as real. One prisoner frees himself of his shackles, leaves the cave, sees the sun, and returns to the darkness, temporarily blinded by the star’s brilliance. His fellow prisoners think he is crazy, yet he knows they live a life of illusion. That is the transformation of the enlightened person. It shows itself when we fall in love and in the sudden shift of perspective in humor. Transformation is philoso-

phy's *raison d'être*. Philosophy's hope is to penetrate the depths of being and to provide the magic of radical newness. Leadership intelligence is such a transformation. Plato, in the *Timaeus*, compresses the idea of radical transformation into a stunning image: "Light is the shadow of God." Similarly, Shakespeare, recognizing the existence of a separate reality, has Hamlet say, after seeing his slain father's ghost, "There are more things in heaven and earth, Horatio, Than are dreamt of in your philosophy" (act 1, scene 5).

Experience demonstrates that when the Leadership Diamond model is applied to actual breakthrough decision making, it becomes necessary to make some basic distinctions. Each dominant leadership strategy must then be challenged on three levels: (1) the *pragmatic* (practical, incremental, lower) level, (2) the *breakthrough* (advanced, transformative, higher) level, and (3) the level of analysis of the *resistance* (and the form that it takes) to self-awareness and to change.

Most people, executives included, do not have adequate access to the full range of their possibilities. Authentic leadership is not only to be better but to be different. It is to work smarter, not harder. We seek transformation, not just improvement.

What is the precise nature of the important interface between the pragmatic and the breakthrough levels in each of the four dominant leadership strategies? How do we transcend and transform our leadership performance from the merely pragmatic to genius-level breakthroughs? There are four elements: (1) reflection, (2) existential crisis, (3) genius levels, and (4) esthetic intelligence.

First is *reflection*, the foundational skill—not just to look but to look at the act of looking itself; not just to think but to think about thinking itself; not just to learn but to learn about learning itself; not just to feel but to examine the act (or passion) of feeling itself. We must go beyond what the light illuminates (like the dark wall of a cave). We must look at the light itself and attempt to understand it.

Second is the *existential crisis*. This crisis involves the willingness to surrender yourself to anxiety and other negative emotions (guilt, depression, disorganization, anger, indignity, ignorance, lack of intelligence, tragedy) in the knowledge that, once you reach the other side, you will find strength of character, a new level of power, and a new depth of happiness. In other words, the distinction between

higher and lower or pragmatic and breakthrough levels of leadership exhibited in each strategy is keyed to anxiety and other negative emotions. The existential crisis uses the energy of anxiety positively; it finds constructive uses for anxiety. For example, lower-level leadership decisions, as a rule, are routine (if sometimes tough) business decisions, but they are business, period. For the experienced executive, they are relatively easy. In contrast, sensitive personal decisions deeply affecting your life and your relationships tend to produce serious anxiety and guilt. Whereas some business decisions are responsive to logical analysis, most personal decisions rarely are. A modest degree of anxiety and guilt indicates that you are operating on the practical leadership level. High or intense levels of anxiety and guilt, however, are likely to be produced by operating in a breakthrough leadership capacity. And, of course, many business decisions are so difficult and involve so much of your ego that they become personal decisions. It is the mark of a leader to manage the anxiety and guilt of making business decisions while retaining the willingness to experience the maximum anxiety and guilt of a unique, life-transforming personal choice.

Third are *genius levels*, that is, the vertical and horizontal expansions of the mind. Vertical expansion means, in height, to reach the eternal questions; in depth, it means to go to the unconscious and to where the pain is. Horizontal expansion means to aim for transformational brilliance and perfection in creativity.

Fourth is *esthetic intelligence*—the use of metaphor, symbol, and abstractions rather than concrete and literal language.

With these four complex and sophisticated competencies, you are ready to move from the pragmatic to the breakthrough level of the leadership mind. If you understand this interface, then you will have an opportunity for an authentic breakthrough in your leadership performance. These four competencies are critically important because they distinguish the common from the uncommon mind.

As we shall see in detail later, to be satisfied that you adequately understand this material you must be prepared, in the end, to produce at least four complete diagnoses of the *organization's* leadership performance and of *your own personal* leadership style. In each case, you must distinguish between *what is* and *what could be*, between harsh reality and imaginative ideals.

Ask yourself, “What do I get paid for?” The usual answer is “To work,” but the correct answer is “To lead,” and leadership is not work. Work is performing a manageable task. Leadership is seizing an impossible situation and either wrestling it into a breakthrough solution or releasing its dormant greatness.

## Social and Political Issues

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We consider one further set of contextual issues here before discussing the core of the Leadership Diamond model. These issues concern the social and political implications of leadership.

The effect of leadership intelligence on the world population is to divide societies into leaders and nonleaders. Part of the reason for a “decision” in favor of a condition of nonleadership is culture; part of it is individual choice; part of it is economic injustice and lack of resources. There are poor nations, and there are the poor in rich nations. A life that has gone too far into choosing nonleadership may be locked into a pernicious vise, never to extract itself.

Nonleaders are, in the last analysis, the homeless, the urban underclass. They are the hungry. A society or a world that permits their degradation degrades itself. The nonleaders would be more dangerous but for their lack of knowledge. Society’s leaders are compelled to care for them. We are moving not toward one homogeneous society but toward two incompatible ones.

Misunderstood and misused technology is a partial cause; every job that can be automated will be automated. The only nonautomated jobs left will be leadership jobs. There will be no more work for those who do not make the leadership choice. This dilemma will be a key problem facing humanity in the Third Millennium.

Too many people cannot cope with life today, nor can today’s society cope with those who cannot cope. The failure of the prison system in the United States is only one of many examples. Consider these figures, which describe the situation on December 31, 2000 (U.S. Department of Justice, Bureau of Justice Statistics, 2001):

- A total of 1,381,892 prisoners were under federal or state jurisdiction, an increase of 1.3 percent from year-end 1999.
- There were an estimated 478 federal and state prison inmates per 100,000 U.S. residents, up from 292 at year-end 1990.

- State prisons were operating between full capacity and 15 percent above capacity, while federal prisons were operating at 30 percent above capacity.
- Between 1990 and 1999, violent offenders accounted for 51 percent of the total growth of state prison populations; 20 percent of the total growth was attributable to the increasing number of drug offenders.

Or examine the following statistics, taken from a nationwide survey (see Kann et al., 2000) on our children, the leaders of tomorrow:

- Among youths and young adults between ten and twenty-four years of age, 12 percent of deaths are suicides.
- Almost 20 percent of students in grades nine through twelve said they had seriously considered committing suicide at some time during the past year.
- Almost 15 percent said they had made a specific plan to do so.
- Over 8 percent said they had actually tried at least once.
- Some 80 percent reported having used alcohol at some time in their lives—about 32 percent before they were thirteen years old.
- About 50 percent said they had used alcohol at least once in the last thirty days; more than 30 percent said they had had five or more drinks during that time.
- Almost 50 percent reported having used marijuana at least once; 25 percent had used it at least once in the past month.

There is danger that the lack of leadership may become institutionalized. Here, more than anywhere else, worldwide leadership—in every sense of that word and in its very best application—is mandatory.

Management today—in industry and government, in education and the military—has reached an unprecedented impasse. In the past and in many companies today, the formula for management has been an 85 percent emphasis on technologies—the architectures, both a technical architecture (automation, machinery) and a people architecture (human engineering, quality circles, self-managed work teams, matrix organizations)—and a 15 percent emphasis on the human core (which means intense focus on per-

sonal, that is, emotional and intellectual maturity). This pervasive structure is referred to as the “15/85 formula.” Many leaders today agree, however, that 85 percent of organizational effectiveness and industrial competitiveness can be attributed to morale, spirit, and heart, and to the commitment and loyalty employees give their companies, to the inventiveness, imagination, and creativity they devote to their jobs, and to the understanding they have of the real world within which their companies exist and operate. Perhaps only 15 percent of organizational effectiveness and corporate competitive advantage can be attributed to the systems and the technologies designed to cope with current economic realities.

A basic feature of the new leadership is thus the inversion of the old 15/85 formula. Although 85 percent of executive energy had been invested in applying the principles of analysis and technology to systematizing machinery and people for more effective production, only 15 percent had been devoted to understanding the human core required to support the existing systems. When things go wrong—for example, program management is often simply not a good return on investment—the tendency has been to increase the pressure on technology and human systems: more expensive equipment and more intensive skills training; turning up the volume instead of changing the station. The solution is in fact a path of diminishing returns. That is another reason why the leadership challenge is of such grave importance to business and, in general, to the management of the social and economic order. The competitive advantage is now with companies that invert the ratio and invest 85 percent of their energies in supporting the people who need to support the complex systems. It is sufficient to use the remaining 15 percent to improve the systems incrementally and keep them finely tuned.

The senior vice president in charge of all technology in one of the world’s leading technology-application firms was asked, “What percentage of effort should executives devote to technology and what percentage on teaching leadership to your people?” Without blinking an eye, he replied, “The technology takes care of itself; 2 percent on technology, and 98 percent on leading people!” This inversion means that time must be spent on leadership, not just on work. Spending time on leadership means learning leadership and teaching leadership, and teaching is carried out by giving lessons,

by providing experience and a practicum, by challenging people and confronting them with their possibilities, and by personal example.

The situation is similar in the military. Officers' leadership training is 85 percent weapons and tactics and 15 percent people. But when you ask an officer how his time is actually spent, he'll say, "85 percent people and 15 percent tactics." The inversion is difficult, for it requires a shift in our perception of leadership; hence the Leadership Diamond model.

Having now covered several foundational issues, we move on to an exposition of the mind-set required for thinking and acting as a leader—a discussion of the four strategies for being great that make up the heart of the Leadership Diamond.



## CHAPTER 2

# The Leadership Diamond

## Four Strategies for Greatness

We are ready now to discuss the strategies for being great that make up the heart of the Leadership Diamond model. The model organizes large amounts of material: suggestions, techniques, hints, tips, insights, theories, and processes conducive to a paradigm shift in leadership thinking. But what differentiates the Leadership Diamond is its reliance on philosophical depth.

The Leadership Diamond is taught through its four core dimensions or dominant leadership strategies: *vision*, *reality*, *ethics*, and *courage*. Each strategy is buttressed by four resources, called supporting tactics; each is a technique or teaching device to help bring about leadership intelligence. In order to be meaningful and make a difference, your understanding of these styles of thought and modes of greatness must be substantiated with past examples and must prescribe future behaviors and actions designed to have visible influence. In this, we merely follow John Dewey's famous prescription of learning by doing.

In each strategy, the tactics form a sequence; their order is important. They start with the simple, the practical, the measurable and move down more and more deeply into the undergirding philosophical structures of the leadership mind itself. Each tactic represents a different level: professional, social, psychological, and philosophical. As we go down these stages, their leverage to improve leadership effectiveness increases, for depth equals truth, and truth begets results. The deeper we go, the more we reach down

to the roots of problems and the more successful we shall be in resolving them.

The *professional level* represents the skill expected on the job—the realm of everyday activities. The *social level* is that of maturity. It involves the social skills expected in the larger setting of the community. The *psychological level* is the psychodynamic one. It is the realm of intuition, of a lifetime of experience sedimented in the heart and the mind. It touches the often-unconscious functions of the psyche, with roots in childhood. The *philosophical level*, the deepest of all, represents a fundamental structure of being human—an element of the universal human condition. We find references to these roots not only in philosophy but in theology as well.

For each strategy, one of the four supporting tactics is the *critical success factor*. You cannot hope to be a leader of some magnitude without competence in this tactic (although you may, at least for a while, fake it along with the others).

In this chapter, we consider the four dominant leadership strategies and their supporting tactics. More extensive discussion of these strategies will be found in the four chapters that follow.

## **Vision: The Strategy and the Tactics**

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*Vision*, speaking now in general terms, means thinking big, maintaining perspective, being relentlessly alert and clear. Vision is valuing intellectual brilliance. Vision means thinking for yourself, maintaining a clear image of your distant goals—in short, being not only reactive but resolutely proactive. It means having a sense of legacy and destiny and at all times, keeping that sense in view.

Vision is not so much *what* you think as *how* you think. Vision is less a matter of content than of process. It is thinking in a very special way, tuning your mind. Vision is moving away from micro-management—from “fleyspeck management”—to macroleadership. Vision is not necessarily having a plan but having a mind that always plans.

Visioning means to think big and new. This becomes the formula statement for vision. And thinking big always comes from a high level of perspective. It means thinking even bigger than that, for there is always a perspective beyond the one we have adopted. This is vertical thinking. But there is also thinking new—horizontal

thinking, or thinking sideways, as it were. Creative people have new ideas, new insights, new intuitions, that come virtually from nowhere.

Jokes and humor are based on someone's throwing a lateral interpretation at you just as you, unsuspecting, are moving in a straight direction. The Texas farmer looks contemptuously at the Maine farmer's land: "You call this a farm? In Texas, we call this a flower pot! In fact, sometimes when I step into my car early in the morning I can't reach the limits of my property even by nightfall!" Shifting his toothpick from one side of his mouth to the other, the Maine farmer reflects, with some compassion, "I've got a car like that, too!" Such is the essence of humor: surprise. And this abrupt shift in your world design also represents the nature of creativity. That is what *thinking new* means. In sum, vision means to be in touch with the unlimited potential and expanse of this marvelous instrument called the human mind.

The visionary mind's supporting tactics, from simple to complex, from common sense to philosophy, are these:

- *The visionary mind is good at abstract reasoning and analysis.* This capacity is usually known as intelligence, but in Leadership Diamond theory it is called *logical* intelligence. It means to be skilled at making logical connections and breaking a problem into its many subsidiary issues so that they can be addressed one at a time. This tactic exists on the professional level.

- *The visionary mind is skilled at systemic and strategic (integrative) thinking, that is, thinking big.* This tactic is on the social level. It is the capacity to see larger and novel patterns, to imagine clever scenarios. This skill contrasts with and complements analysis. It is a key to success at high levels of leadership responsibility. Fully developed, this skill is among the rarest and most highly paid gifts. It is the critical success factor in this strategy.

- *The visionary mind exhibits a high degree of creativity and has ready access to the unconscious.* Visionary intelligence is rich in the production of newness, stimulation, incremental and breakthrough innovation, and lateral thinking, including the use of the unconscious and the intuition for developing new insights. This tactic is on the psychological level. It rests on developed intuition in the leader's mind. It is thinking that is truly new. Creativity, with its

source in the unconscious, is the synthesizing function of the leadership mind.

- *The visionary leadership mind is capable of expanding and exploring the experience of inner or subjective space-time.* We call this the act of reflection, meaning you're aware of your possibilities. You are in touch not only with what you actually are but with the whole rich range of your human possibilities, the full spectrum of your human potential. This tactic is the study of pure consciousness, found in the religious and philosophical sensibilities of both Eastern and Western thought. This tactic exists on the philosophical level. It is the deepest of them all. It has the greatest potential for expanding your mind and for stimulating the brilliance of genius. It is also the most difficult.

In sum, an informal statement of this strategy is that a visionary leader sees the larger perspective. That idea is then incorporated into the formula statement: visioning means to think big and new. The following Oracle exercise question provides an example of the need for perspective:

### *Oracle Question*

It seems as I grow older my intellectual response to day-to-day discouragements at home and at the office is, "Does it really matter in the whole scheme of life?" Who will know or care ten years or one hundred years from now if my secretary is late for work, my son doesn't clean his room, or my wife scrapes the car? Unfortunately, if we take this line of reasoning to its logical conclusion, one wonders what really matters—virtually everything can be discounted as unimportant in this context. Should one attempt to overcome this frame of mind? If so, how?

## **Reality: The Strategy and the Tactics**

*Reality*, the second dominant leadership strategy, stands in sharp contrast to the strategy of vision. Realism is the pragmatism of being in touch with the market, with the facts, with the truth. It means that you do not lie to yourself, that you do not live in a state of self-deception. To be realistic means to think rather than feel; to be objective, not subjective; to be rational, not irrational.

Realism means being connected with your external realities, and that means principally the economy, the laws of the land, your surrounding culture, the competition, and, above all, other people. Realism means that you understand, accept, and cope with the realities of your specific business, professional, or governmental organization—that you know your customers and your suppliers, your stockholders. But you must likewise be thoroughly familiar with the larger social culture within which you live or where you do your business. Societies' cultures differ sharply, and it often takes years to fully feel that and learn how to manage the conflict. In short, to be realistic is to be in touch with the market.

But realism also means being in touch with people. You are conscious of how others perceive you. Their perceptions of you need not be accurate; in you, they may see only themselves. But they will act on these perceptions. Understanding that is realism. For most managers, reality must be people, not things. How others see you—and, even more, how others limit you—these are the fundamental realities. Some managers prefer things and systems to human beings; there is less backtalk and ambiguity. People, however, are the most important reality in virtually all leadership situations; people also offer the most frustrating constraints to leaders. To internalize this truth is part of what we mean by realism.

Realism also means being in touch with your internal realities, such as ideals, values, feelings, and attitudes (here, realism may overlap with ethics, the third dominant leadership strategy). Finally, realism means being conscious of the acceleration of change. In planning, it is not enough to be prepared for change; events will usually overtake your best planning.

In adopting reality as a strategy, you are fully in touch with all aspects of the real world. When you say, "I am a realist," you probably mean that you want to be in contact with the external world. But that is not enough. You must make equal connection with your realm of inwardness. Beyond that, realism includes existing comfortably at the interface between your inner and your outer worlds. That, philosophically speaking, is the language of your body, which includes the language of your mouth and fingers (that is, of course, the language of the spoken and the written word).

Realism, therefore, means that you are competent, that you are in command of the hard facts of the business. There are hard business facts and soft people facts. The market represents natural

economic forces, and people are irrational. You must have no illusions about either. And realism means that, instead of complaining, you find solutions. Realism in general (and by way of definition) means to have no illusions. That is the formula statement for reality.

The supporting resources, or tactics, that teach the leadership mind and develop realism in leadership intelligence, in order of their increasing philosophical depth, are the following:

- *Realism means, first of all, meticulous attention to practical details, attending to the precise needs of your immediate and end customers.* Realism means that you focus on what is right for the customer, not on what is convenient for the business. This tactic exists on the professional level. It is the minimum requirement for professional behavior. It is the source of quality.

- *Reality as strategy is a commitment to obtain extensive information and maintain a stance of aseptic objectivity.* It means adhering to professional standards. It stands for detachment, research, facts, and calculations. It means that you know the business thoroughly, and the more you know about what surrounds it, the better. You never stop increasing your competence with the business and its context. This tactic is at the social level. As you use this resource, you are also in contact with your social reality, with the mature expectations of your business and professional communities.

- *Realism is sharply focused attention on survival.* It signifies a relentless results orientation and market orientation. This tactic represents the psychological level. It shows how you as a leader perceive reality, and the terms are primarily in the form of survival. This mind-set is the critical success factor for this strategy, for no one can be the CEO of a significant organization whose mind is not riveted, always, on survival in the market. The best analogy, unfortunately, is to a predatory jungle animal.

- *At the philosophical level, a strategic commitment to reality means direct contact and embodiment with yourself, with other selves, and with how others perceive you.* This tactic is the ultimate philosophical statement of what it means to be in touch with reality, to exist healthily in the world. To be is to be intertwined and interconnected with reality. Self and world are in steady dialogue; they are one field. In psychiatry, this pervasive attitude is the very definition of health. In philosophy, this is called a dialectical relationship, an encounter.

An informal summary statement of these tactics is that a realistic leader responds to the facts. This is incorporated in the formula statement that realism means to have no illusions.

## **Ethics: The Strategy and the Tactics**

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*Ethics*, as a dominant leadership dimension, or strategy, means primarily that people matter to you. You reach out to them. Ethics means that morality and integrity are really important to you. You treasure your character because you *are* your character. Ethics also means that you know the power of love and that you act on that wisdom. Ethics means, furthermore, that you appreciate the personal enrichment that comes from being of service. The New Testament is not short on this wisdom: “Whosoever would be great among you must be your servant” (Matthew 20:26). Ethics means that you can be and are interested in seeing the world from another person’s point of view. Ethics means mentoring: you know that, as a boss, you have the responsibility to develop, train, and make your subordinates more marketable. As a subordinate, you have an obligation to train your bosses as well. Ethics means that you are conscious of the central role that values play in making a business profitable. Ethics means that you are now mature enough to have stepped off your adolescent ego trip. Power is no longer an end in itself but a means to do good. Ethics means that you understand the depth of a human being; you understand others as well as yourself. Ethics requires respect for the study of the human feelings and relationships you find in literature, the arts, and all the other sensitive descriptions that plumb the profound mysteries of the human heart.

Ethics means having the wisdom to be authentic—that is, yourself—in human relationships. In fact, ethics is close to wisdom, and the latter notion also covers many of the meanings implied in the use of the concept of ethics as a dominant leadership strategy. Ethics as a form of wisdom means that you are experienced in the ways of this world and that you are exceptionally sensitive to all human issues. Wisdom means that you have lived enough to know what pleases and what hurts and that your compassion for how people struggle to solve the problem of existence ranges over the full spectrum of human frailties.

Plato reminds us that leadership is the combination of power and wisdom—that without wisdom, power is tyrannical; that without power, wisdom is vacuous. Greatness in ethics means also that you pursue your inner health—the soul’s fulfillment—which transcends what most of us deem possible. Simply stated, and by way of a formula definition, ethics, as a dominant strategy for leadership, means service.

In business and the professions, the term *ethics* often refers to quality in products, services, customer contact, and management. The four supporting tactics, or resources, in order of their increasing depth and leverage, are as follows:

- *Ethics means teamwork.* Understanding effective leadership involves accomplishing tasks through people working together. It means loyalty to task forces or ad hoc teams (that is, it refers to the concept of flexible teams). This tactic exists at the professional level. This skill is the critical success factor in the dimension, or strategy, of ethics.

- *Ethics is meaning.* There must be meaning in your work, and there must be meaning in the work you create for others. Meaningful work means interesting work. Meaning is also making a commitment, finding a loyalty that gives significance and worth to your existence. In life, it is necessary to find something worthy to which one can make an unconditional commitment. The search for meaning is to reach that human profundity without which a leader lacks credibility and cannot hope to earn the loyalty of his or her people. This tactic is a resource that exists at the social level. The question of the meaning of life, although of course fully relevant here, applies even more specifically to greatness itself, the very center of the Leadership Diamond model.

- *Ethics is also, and centrally, love.* Love means service, mentoring, seeing the world from others’ points of view, making others successful. It means compassion. Love also means validation. Love is two selves entering a single, common world. In love, one self witnesses and mirrors another self. Such a noble virtue must be expressed also in the workplace. This tactic exists at the psychological level, at the level of feeling. To love is to care. If others suffer, so do you. You cannot help yourself, since concern for others springs



from the very marrow of your bones. Love is closely related to communication. Strictly speaking, communication means accurate data transmittal. But at this psychological level, communication means in-depth human contact. It means understanding, with sensitivity and compassion, the emotional needs of another person. Love, also, is a matter of commitment, of loyalty, and of attachment. Betrayals of these promises are always painful.

- *Ethics means integrity, morality, and principle.* It is adherence to core values. In particular, to be ethical is to understand the nobility of the Socratic ethical message: the moral person is motivated by what is right, not by what feels good. This tactic exists at the philosophical level, at the level of principle. Perhaps more than any other virtue, the ability to be ethical, the perception that values have a claim on you, distinguishes the human from the nonhuman, persons from animals. An unflinching mark of ethical leaders is their attitude toward promises. Credible leaders remember their promises, keep them, and expect the same of others. In sum, and stated informally, an ethical leader is sensitive to people. That insight becomes part of the formula statement that ethics means service.

## **Courage: The Strategy and the Tactics**

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*Courage*, as a dominant strategy, or dimension, for acquiring the leadership mind, is the willingness to risk. Security, as the stoic philosophers told us, lies only in your courage and your character, not in dubious guarantees from the world of business and of government, not even in your private life. The courageous leadership mind understands that you cannot live life without courage. And the leader knows that courage does not avoid anxiety and guilt but uses them constructively.

To lead is to act. To have courage is to take charge, first of one's own life, for the true hero is not the person who conquers others but the one who conquers himself or herself. Then you are ready to take charge of organizations.

Specifically and formally, in Leadership Diamond theory courage means to act with sustained initiative. This is the formula statement. Use it to remember your courage and apply it. This strategy leads to four supporting tactics, or resources:

- *Aggressive education and management of your markets means stretching markets, not merely understanding and responding to them.* It means designing and introducing leadership products. It means product advocacy, product championship. Whatever you offer, that is your product. To make a commitment to one product over another is also to take a risk—the risk of a necessary solution to your need to survive in the business. This tactic occurs on the professional level.

- *Courage is the ability to exhibit personal autonomy and independence of thought, to take the initiative, to be a self-starter.* Courage means that you are willing to stand alone. As a mature leader, you freely choose your identity. You define yourself. You invent who you are. You are responsible for who you are, regardless of your origins—your parents, your education, your ethnicity. You freely accept your origins, or reject them, or modify them, or supersede them. This tactic occurs at the social level. The leader often is painfully alone, necessarily distant, for the leader knows that certain responsibilities can never be delegated: being a parent, a spouse; caring for your health, your money, and ultimately your organization. In brief, you cannot delegate being a leader. If you do delegate the undelegatable, you will live to regret it. Companies are sometimes run by powerful consultants. No CEO can allow such delegation, tempting as it may be, for that also, as when someone else takes over in private life, invariably ends in disaster.

- *Courage is the free decision to tolerate maximum amounts of anxiety, to manage your anxiety constructively, to understand that being anxious is what it feels like to grow.* To understand anxiety is to have touched the heart of courage. The fact that anxiety is the natural condition of human beings rather than a pathological aberration is the pivot of Leadership Diamond theory. This so-called tactic represents the psychological or feeling level of courage.

- *Courage requires a clear comprehension of the fundamental and difficult philosophic concept of free will.* You are “a freedom.” Your nature is to choose, always and in all circumstances. You are never free *not* to choose. Freedom is a fact, although not a scientific one. The pervasiveness of freedom in your soul is a philosophical fact, that is, a subjective reality, subjectively confirmed. When it comes to human freedom, that is the only confirmation possible. This tactic therefore occurs at the deepest, the philosophical, level. Your freedom is a resource that exists in the kernel of your soul.

Courage, like freedom, is the decision also for energy, the decision to be positive and to live with greatness. It is also the discovery of centeredness, the still point in your core that is the source of peace and thus of self-confidence and mature strength.

Leadership is the use of power. But power, to be ethical, must never be abused. To ensure that, one rule cannot be broken: power is to be used only for the benefit of others, never for yourself. That is the essential generosity and self-sacrifice of the leader. In the modern organization, the reality of power must be integrated with the need for teamwork. After years in power, one CEO was asked what the secret of his success was. "I learned to share my power with my people, and they learned to share it among themselves," was his profound reply.

Power is like a globe. Some CEOs hold on to it exclusively; then there can be no teamwork. Others, however, split the globe of power. Half they keep, and the rest they give to their senior officers. The currency in which the senior officers pay for the power is teamwork. If the CEO gives power and does not get teamwork in return, then he or she has been cheated, exploited. Conversely, if the CEO, not having given away any power, receives loyalty and teamwork from subordinates, then the senior officers are the ones who have been cheated and exploited.

Transferring power is also transferring responsibility and accountability, a point often overlooked. Accountability without power is as empty as power without accountability. When a subordinate is held accountable but does not have the authority to implement decisions, that is as ridiculous as a corporate officer's having power but not feeling personally responsible for the success of the organization. These are some of the systemic and psychodynamic problems that characteristically arise when the question of teamwork is posed.

To sum it all up, you know that to choose energy is to be always action-oriented. The authentic leader knows how to act. Likewise, the one word that summarizes initiative is *action*. The leader acts and does so at all times. To be action-oriented is to be physical and extroverted—the opposite of being introverted and reflective.

In short, the courageous leader claims the power, at all times, to initiate, act, and risk. This summary is incorporated into the formula statement that courage means acting with sustained initiative.

This skill, which is the tactic of will power, is the fourth critical success factor, the others being systemic and strategic thinking, survival, and teamwork.

Will power means taking full personal responsibility for a specific state of affairs, holding oneself fully accountable for the consequences of one's actions. This critical success factor, like survival under reality, is the harsh dimension of leadership. Moreover, what immediately characterizes persons as leaders is that, in the midst of ambiguity, they nevertheless know what the problem is; they do not need anyone to tell them. They know how to solve it and need not be instructed. They have the resolve to do so and need not be externally motivated. This is action. This is initiative.

Leaders are not dismayed by obstacles, for they know that in successful business and politics one finds nothing but obstacles and frustrations. Their joy comes from confronting these obstacles and wrestling with them to a winning conclusion. The satisfaction is in the challenge, for challenges energize. They are like a brisk walk in fresh air.

It should be clear that to have courage is to act with sustained initiative—an initiative that never stops. An informal statement of this tactic is that a courageous leader always claims the power to initiate, act, and risk.

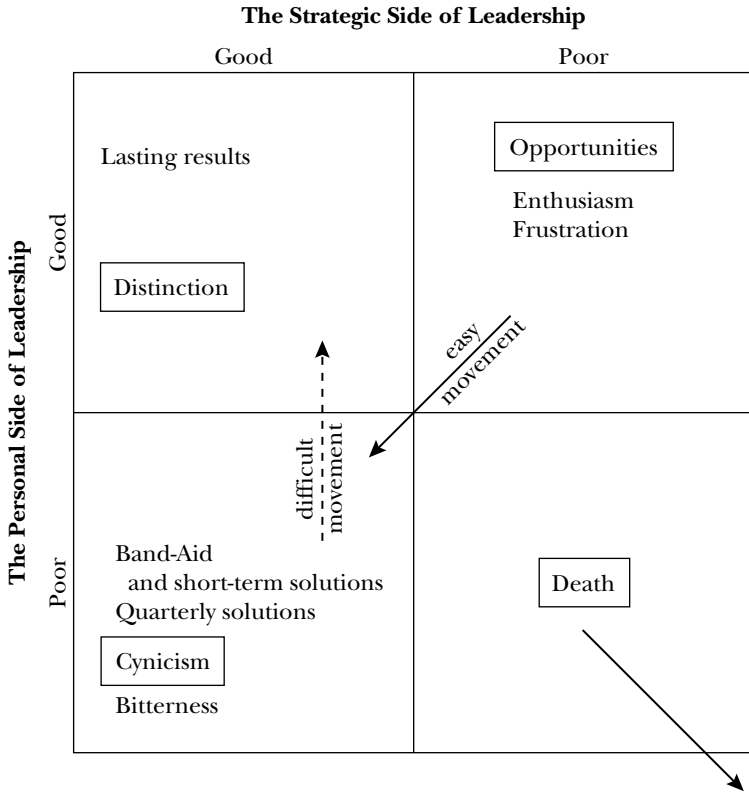
## Strategy Is Not Enough

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The strategic side of leadership, as usually conceived (the abstract and rational analysis of corporate direction, especially in its larger financial aspects, and which, of course, is one element of authentic leadership) is not enough. It is on the personal side of leadership—in the sense of greatness and inspiration, focus on people, their meanings, their souls and hearts, their destinies—that the next breakthrough in business will occur.

Strategic buyouts, leveraged buyouts, financial wheeling and dealing, mergers, acquisitions, divestiture, debt restructuring—all these strategies may improve business by making it meaner and leaner. But the true future, after all the strategies have been exhausted, is the human factor, the core of the person. That is why business exists: the person is the blood that fuels the business. And it is people who in the end will make or undo the business. This is the personal, not the strategic, side of leadership (see Figure 2.1).

**Figure 2.1. Leadership Matrix (1)**



Entrepreneurial businesses often start with high leadership and questionable strategy. Management and investors soon find out. They presently acquire better strategy. Sometimes it is purchased through consulting firms; sometimes a better strategic planner is employed. Sometimes there is a change in the executive suite. This process may be difficult, but it is manageable. Regrettably, in the process of improving strategy, the personal side of leadership is often neglected. Many CEOs do not have time for the personal side of leadership, even to spend informal hours with their people, or they do not understand its overwhelming importance, or they painfully lack the capacity. And CEOs frequently feel guilty of neglect that they perceive as unavoidable. As strategies improve (unfortunately, at the expense of the personal side of leadership), the company

discovers, to its dismay, that its culture does not adequately support these strategies. An enormous amount of waste, in the sense of irrelevant and unproductive work, takes place. The bureaucracy has taken over.

Moving the company now, however, up from good strategic but poor personal leadership is a staggering undertaking. From the perspective of gaining competitive advantage and survival itself, however, such uplifting absolutely must be done. Part of it can be accomplished through consultants—the part that empowers people. Consultants can help employees upgrade their potential. But sponsorship from the top, commitment from above, and exemplary behavior on the part of senior management can be achieved only by the designated executives themselves. The challenge to empowerment can be delegated, but inspiration from above cannot.

Polls over the last several decades have commonly shown decreasing loyalty between companies and employees. In 1989, for example, 57 percent of respondents in one survey said they believed companies were less loyal to their employees than they had been ten years earlier, and 63 percent said they believed that employees were less loyal to their employers (Castro, 1989). In 1996, 51 percent of respondents in a survey of U.S. workers reported that their own employers valued employees less than a few years earlier and were more likely to cut jobs to save money. Eileen Wolford, of the polling firm Angus Reid Group, commented: “In other polls we’ve conducted, we noted that Americans are becoming increasingly frustrated with downsizing, particularly when it occurs at profitable companies. It appears that the price employers may be paying for this is declining employee confidence and diminished loyalty” (Angus Reid Group, 1996). Indeed, in March 2001 a nationwide survey of employees, conducted by Aon Consulting, found that only 45 percent would remain in their current job if offered a similar job with slightly higher pay. Although this figure rose to 54 percent in November 2001 following the September 11 terrorist attacks in New York and Washington, D.C., David L. Stum, president of Aon Consulting’s Loyalty Institute, cautioned that the rise might be a temporary result of external circumstances and uncertainties (Aon Consulting Worldwide, 2001).

Yet the cultivation of employee loyalty can bring an organization substantial economic rewards. According to Frederick Reichheld, a consultant and author of the 1996 best-seller, *The Loyalty*

*Effect*, a 5 percent increase in employee retention can yield profit increases of 25 percent or more. For example, Advanced Elastimer reduced its annual worker turnover rate from 14 percent in 1999 to 7 percent in 2001 and expects as a result to save \$2 million per year in expenses for recruitment, relocation, and training. And this doesn't take into account the productivity gained from maintaining an experienced, motivated workforce. "The more chaotic the environment, the greater the need for loyalty," Reichheld says. "When frontline workers have to act quickly and make decisions on their own initiative, they must be able to trust one another to behave in the best interests of the team" (Cole, 2000).

Generalizing now, we can see that the dimensions of the Leadership Diamond are well illustrated in observations about Napoleon: the spacious mind, holding several ideas and feelings simultaneously; the all-encompassing visionary time frame; the simultaneous use of the strategies of vision and of reality—the visionary strategic and systemic patterns, and the minute details at one and the same time; and leading as teaching, which in turn is releasing energy, empowering. Nanus (1989, p. 72) quotes Napoleon's contemporary biographer, Louis Madelin:

He would deal with three or four alternatives at the same time and endeavor to conjure up every possible eventuality—preferably the worst. This foresight, the fruit of meditation, generally enabled him to be ready for any setback; nothing ever took him by surprise. . . . His vision . . . was capable of both breadth and depth. Perhaps the most astonishing characteristic of his intellect was the combination of idealism and realism which enabled him to face the most exalted visions at the same time as the most insignificant realities. And indeed, he was in a sense a visionary, a dreamer of dreams.

Napoleon himself has been quoted as saying, "The art of choosing men is not nearly as difficult as the art of enabling those one has chosen to attain their full worth."

## **The Role of Philosophy in Business**

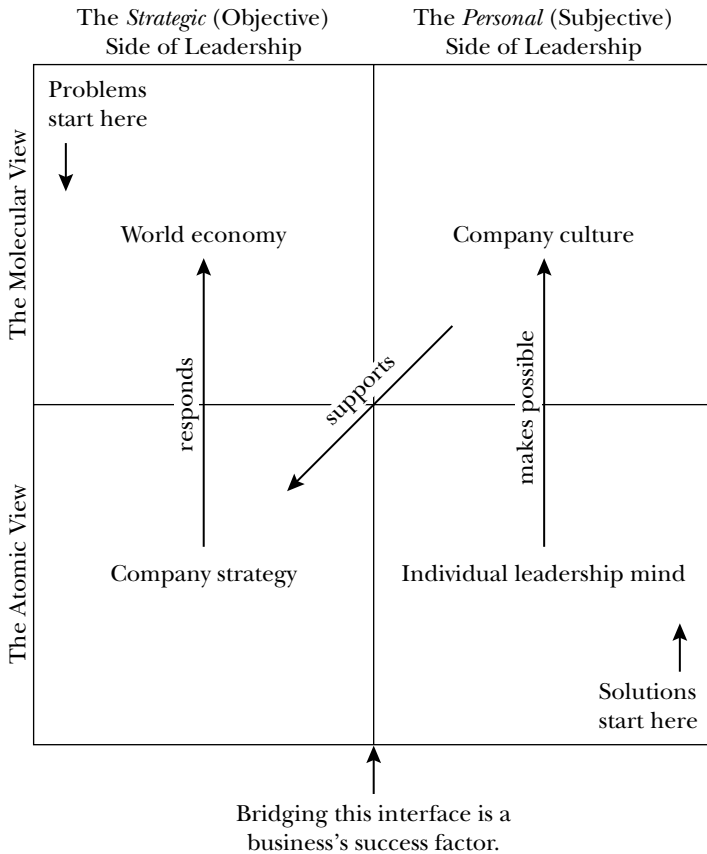
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We are now ready to locate, formally and within the complexity of the marketplace, the specific role of philosophy. There are four distinct areas of business: world, strategy, culture, and the individual leadership mind (see Figure 2.2). *World* is the global political

and economic situation—historical and market forces governing the world within which every enterprise must operate. *Strategy* is a company’s response to that world situation. Strategy is how businesses survive in the real world. Strategy is essential. A company’s success rests heavily on the brilliance of its strategic market response, and good strategists receive the highest pay.

These two areas of business—the practical world and the company’s reaction to it—are “objective” phenomena, comprising the

**Figure 2.2. The Areas of Leadership**



Do not use objective measures to manage the subjective side, just as you would not use subjective methods to manage the objective side.



*strategic side of leadership.* The proper logic (or language) with which to address these two areas is objectivity: precision, mathematics, science, and analysis. This appears to be what is emphasized in most business schools.

The third area is culture—the intangible that defines what people feel and how they behave. Culture means loyalty and commitment to the organization—how much of themselves people are willing to give. Culture consists of unspoken expectations and invisible contracts, but it packs enormous emotional power, both positive and negative. Culture must support strategy. In an effective company, it is the culture that translates strategy into tangible results. Here lies the critical success factor in most organizations. Here is where the competitive advantage is to be gained. This is the leverage point. Compared to culture, strategy is easy. Strategy is mechanical and, if necessary, can be bought. Culture, by contrast, is personal and is brought into being only through unusual personalities—ultimately, only through character. Like love, it is beyond purchase.

In this interface, the link between culture and strategy, many companies fail. Consultants are called in at this intersection, because, typically, the culture does not adequately support the strategy. Too often, executives hope that once they have the strategy, implementation is a matter of course. Nothing could be farther from the truth.

Once the strategy has been identified, the real work begins. Many executives are better trained in designing strategy than in the superior human qualities needed to transform abstract plans into living commitments by real people. Not that executives are necessarily limited people; it is a matter of expectations and training. It is how business traditionally has been run, and here we are dealing with breakthroughs, with breaking new ground, with paradigm shifts. These two tasks, rooted in the subjective and objective sides, respectively, are different not only in degree but in kind.

We come now to the fourth area: the quality of the individual leadership mind. Culture is made possible through a critical mass of individuals who think and act as leaders—individual executives with leadership minds. Only to the extent that individual managers choose to make this personal, transformative decision to the leadership mind can a company expect to be truly competitive in the tough years ahead.

The opportunities are unprecedented, but so are the difficulties, for competition is more intense than ever. The critical success factor is individual leadership development, the quality of a company's leadership minds. Authentic individuals, mature and committed, will make possible the kind of culture capable of supporting the business objectives of the organization. This subjective side, culture and the individual leadership mind, comprises the personal side of leadership.

## **The Two Realms: Objectivity and Subjectivity**

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Culture is different from strategy. Whereas a company's strategic response belongs to the strategic side of leadership, its culture is part of the personal side of leadership. Here we use the logic of subjectivity.

The world is divided into two realms, objectivity and subjectivity. Both contain infinite space; there is outer space, and there is inner space. Although similar in many respects, these two worlds have their own languages and logics. The thinking and the methodology for each is different. Outer space requires science; inner space, intuition. The outer world needs measurement; the inner world, poetry. The interface between the two, the connecting channel, is your own body. Only through it can the inner world reach out and the outer world penetrate the inner realm. (That is the metaphysical significance of your body.) Techniques for strategies that manage the world economy are of a different order of being from approaches effective with culture and individuals.

These statements may sound odd. We do not usually think in these terms. But they are profoundly true and are the key to any deeper look into leadership. To understand this difference is to unlock your mind's lost leadership powers.

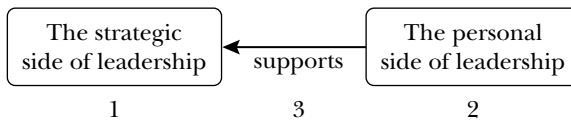
Strictly speaking, to have a "strategy" for culture is to perpetrate a "category mistake"—to use the language of objectivity for subjective phenomena—and that is no more appropriate than to use the language of subjectivity to cope with objective phenomena. In brief, scientific love is as irrelevant as poetic engineering, yet it is amazing how many executives are encouraged to use objective techniques to manage subjective states. Courage and initiative, creativity and caring—these are not the strategic side of leadership. On the contrary, they exemplify the personal side.

True leadership, of course, means addressing all four areas. Nothing can be left out. Philosophy, however, can help the subjective side cope better with the objective areas. The precise focus of Leadership Diamond theory is to understand and develop, mostly by challenging and empowering, the individual leadership mind. That is where it all begins. Effectiveness with culture, strategy, and world all start with the individual. Here you have the greatest leverage. Achieving results in this manner is truly working smarter, not harder. Such is the way in which philosophy can best be positioned in business.

The reader may be puzzled about why the words *strategy* and *tactics* are used here to discuss the personal side of leadership, and perhaps that is not ideal terminology. Nevertheless, the theory must keep alive the business flavor, the organizational language. Using these words bridges the gap between the objective and the subjective realms—a connection that is the critical success factor for the effective organization. As suggested earlier, in Leadership Diamond theory *strategies* are also the *dimensions* of the leadership mind, and *tactics* are also the *resources* of the leadership mind.

A distinction is sometimes made between the different meanings of truth in the civilizations of Athens and Jerusalem, the two sources of Western thought. Athens defined truth as a universal theory. Jerusalem defined truth as an individual, courageous decision. Truth for Athens lies in a scientific proposition. But truth for Jerusalem, exemplified perhaps most dramatically by the life and death of Jesus (although Judaism and Islam have a central stake there, too), lies in risking, to the death, a personal decision about what this world is, what right and wrong are, and how a human being is to live. And we are given only one chance.

In psychiatry, when patients are confronted with important but difficult life choices, what works is not the objective approach of Athens (that is, theories of personality) but rather the subjective challenge of Jerusalem. It is the personal commitment of the therapist to the patient and the willingness of the patient to suffer courageously through the anxiety of making choices that brings success. Rollo May has put it well: the goal of psychotherapy is not to make people happy or healthy but to set them free. Herein lies the difference between the strategic and personal sides of leadership. If you want to be competitive in your business, then you need to make sure that you have managers who fully understand, live,

**Figure 2.3. The Two Sides of Leadership**

and teach this personal side of leadership. Business problems may start with general theories about the world, but the answers are first found in individual decisions of leadership minds. To get results, that is where you must place your energy.

The Leadership Diamond methodology is devoted to understanding and teaching the personal side of leadership. Its goal is to train the individual leadership mind. Results are measured by the business objectives achieved. A simpler way to see this is to look at Figure 2.3. A company has three key elements. It has strategy—which means mergers, acquisitions, alliances, products, positioning, organizational charts, future scenarios, and so forth. The personal side means loyalty, culture, commitment, sacrifice, morale, enthusiasm, energy, joy, innovation, initiative, and courage. The third element, perhaps most important of all, is the degree to which the culture supports the business objectives. Here lies the critical success factor for achieving the sustained competitive advantage. This is where the work usually needs to be done. This is the frequently neglected area. It is therefore the best niche for promoting progress in a company. And that requires leadership.

Look at Figure 2.4. Companies can be classified according to their leadership competence. The average problem with the relatively successful company is the lack of cultural support for business objectives. Any step taken to strengthen that connection in a company—a task requiring special skills—is perhaps the greatest possible return on investment.

If to lead with greatness is really to teach how to lead, to empower, then what can we do to become leaders with greatness? This will be the subject as we examine each of the dominant leadership strategies or dimensions in the following chapters.

**Figure 2.4. Leadership Matrix (2)**

		The Strategic Side of Leadership	
		+	-
The Personal Side of Leadership	+	The reinvented corporation	The entrepreneurial corporation
	-	The <i>Fortune</i> 1000 corporation	The bankrupt or takeover-target corporation

## CHAPTER 3

# Vision

## Thinking Big and New

As we have seen, each of the dominant leadership strategies is amplified and supported by four tactics, each consisting of many elements. Together, these elements draw an informal portrait of each strategy to help you diagnose and improve your leadership skills. You will find the Toolbox in Chapter Three a useful reference.

### Elements of the Tactics

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Specifically, and for the sake of amplification, what are the leadership elements of vision? There are four: (1) abstract reasoning and analysis, (2) systemic and strategic thinking, (3) creativity and the unconscious, and (4) awareness of possibilities.

### Abstract Reasoning and Analysis

You find abstract reasoning and analysis in intelligence tests. It is called logical intelligence, which is the most widely used predictor of success in our society. College and university admissions, job recruitment, and promotions, for example, depend heavily on one's performance on the kind of intelligence tests with which everyone is familiar. Some test questions are essentially puzzles. To make sure that the mind stays in shape, it is interesting to stretch it periodically with such puzzles. Here are a few examples (see the end of this chapter for the answers; questions 2–5 were suggested by Sternberg, 1988):

1. On Monday, a scout climbs a mountain. He starts at approximately 6 A.M. and reaches the top by evening. He makes his camp on the mountaintop and returns by the same path early the next day, Tuesday. He arrives at his starting point by about noon, for going downhill is easier than uphill. Is there on the path any one single spot that he would have reached at exactly the same time on both Monday and Tuesday? (yes or no)
2. The Russian calendar does not show Washington's birthday. Does it show the Fourth of July?
3. A bottle of wine costs \$12. The wine costs \$10 more than the bottle. How much does the bottle cost?
4. Can you plant 10 trees in 5 rows of four trees each?
5. How can two men play five games of chess and each win the same number of games, without any ties?

Scholastic Aptitude Test (SAT) questions measure abstract reasoning and analysis. Sample questions are always good practice for the leadership mind as it endeavors to strengthen its capacity for visioning. Try these (taken from Gruber, 1990):

1. *ROBBERY: THIEF as*

- (a) diamond: vault
- (b) crime: prison
- (c) hostage: kidnapper
- (d) capture: convict
- (e) forgery: counterfeiter

2. *CLOCK: TIME as*

- (a) minute: hour
- (b) dimension: space
- (c) distance: meter
- (d) thermometer: temperature
- (e) gravity: weight

3. *The opposite of  
OSTENTATIOUS is*

- (a) lazy
- (b) motionless
- (c) contented
- (d) ambitious
- (e) modest

4. *The opposite of  
ASSIDUOUSLY is*

- (a) incorrectly
- (b) brilliantly
- (c) stupidly
- (d) heedlessly
- (e) willingly

As a component of abstract reasoning and analysis, visionary intelligence is strong on gestalt completion. In a test of gestalt completion, indecipherable pictures—seemingly amorphous dark

blotches against a white background—are shown until a sudden leap in the test-taker’s perspective reveals a person, an animal, or some other figure. Most of us have seen the ambiguous picture that changes, as we find the right (almost indescribable) shift in perception, from being an old woman to being a young girl, then as two persons face-to-face, turning into a vase. One cube can be seen in two ways if we know how to shift our point of view. In parallel fashion, the leap from seeing or thinking to *reflecting on* seeing or on thinking is equally dramatic, probably even more radical.

## Systemic and Strategic Thinking

Let us take a look at *strategic intelligence and systems thinking* as a style in which the mind works and the critical success factor of the strategy of vision. For example, to think big is to see your world from a satellite—to be like Martians arriving on Earth for the first time. It is, first, to fly by helicopter over a medieval city and see all houses clustered around the big church, not a little church perched among the tall skyscrapers that are today’s banks and corporations. It is, second, to fly to the world a hundred years from now, a thousand. What do you see? You can get a glimpse by looking back into history and seeing how things have changed. Let your mind wander and reason into what lies ahead and what you can do to bring that about—better, bigger, and new.

Systemic thinking, coupled with abstract reasoning and analysis, gets at assumptions. Always examine the assumptions behind your actions. Be sensitive to the unconscious, the social, the ethnic, and the economic forces that silently lead you and that may prevent you from seeing what might have been. We find suppressed assumptions in jokes, for a good joke catches you making assumptions that you did not know you were making.

To have vision is also to have developed strategic intelligence and systems thinking. These skills or mind-sets are the trainable ability to digest large portions of information at once, as in speed reading, and quickly create images of how they might be integrated and systematized. To have vision is to perceive large trends and recognize (or invent) their interconnections. A highly developed strategic intelligence is as rare as it is in demand. The more effec-



tively you train yourself in that skill, the more dramatic will be your success and your organization's success.

Your reality is like a large mosaic. The tiles can be arranged and rearranged in many ways. Reality is like a set of blocks, like modular furniture and movable walls in modern offices. Reality, as perceived, consists of sets of modular tasks. These can be organized into many different arrangements. The strategic mind, like a good chess player, can imagine and anticipate many moves because of the high-level perspective from which the vision-centered leadership mind thinks.

Strategic intelligence, like systems thinking, takes a fluid reality and re-perceives it as cut into units or congealed into solids; or it re-conceptualizes perceived reality into a set of processes. Strategic intelligence then manipulates these units just as a painter uses individual colors. This procedure is the analytical, logical, conceptual, and scientific way to control the environment. It becomes a pragmatic way to manage change, to achieve mastery over the future.

For training in the strategic-intelligence component of visioning, it is best to seek out examples—in business, economics, politics, and military history, for instance. Because the strategic mind always thinks of new and surprising angles to routines, learning occurs by imitation, by example, by living in a context of strategic intelligences and ceaselessly searching for ways to be like them.

Competent orchestra conductors can encompass, in one glance, an immensely complex score and play it immediately on the piano. Advanced speed readers can take in a full page (or at least one single paragraph) at a glance. They see not the individual words but one massive statement. A good strategic thinker divides world politics, or economics, or history into manageable units and, moving them like chess pieces, creates different scenarios. These valued skills are needed in such diverse concerns as finance, speculation, planning, and production, as well as in getting unstuck emotionally. The prerequisite to strategic intelligence is to have enough space in the mind to see a plethora of possibilities from the perspective of an inner satellite.

Systems thinking also means developing new languages. A language organizes experience, and that can be done in innumerable ways. But the organization must always be both coherent and

consistent. This means that concept formation corresponds to empirical facts; the concept must be true to what is real. And it must be logically consistent; one cannot assert contradictory propositions. Using systems thinking, therefore, means inventing new categories.

Language creation is a breakthrough achievement of the visionary mind. It is a skill that can be encouraged and developed. It is also the joy of the mind. Language is power. It suggests new avenues for investigations. It is control over nature. It is adaptation to circumstances. It is survival. It is mastery over destiny.

Systems thinking is the ability to use language to create new realities. The word *systems* itself makes you aware of the importance of connections to which you may have paid no attention in earlier times. The word *process* suggests that we have been focusing on things, that is, on isolated and stationary entities rather than on flowing continuities. A continuum might never have entered the perceptual field had it not been for the invention of the word *process* and the contrasting of it with *thing*, *stasis*, or *results*.

Intuitively speaking, causation means direct contact in space and time. But new thinking—systems thinking—points out that causation is often not connected, either spatially or temporally. This is truly causation at a distance. What is counterintuitive in one age (the spherical earth, the gravitational pull, relativity) becomes intuitive in the next.

In everyday life, new conceptual systems—new ways of organizing experience—emerge as we force ourselves to ask certain questions:

- What are some of the fundamental strategies we use to cope with life?
- What myths do we live by?
- Which do not work for us, are not serviceable?
- Are we able to give up strategies that do not work for us?
- Are we able to discover what they are in the first place?

Basic psychological categories such as those found in the theories of Freud, Adler, Jung, Horney, Sullivan, and Kohut are examples of systems and strategic thinking, for they search out and find major patterns of attitudes and behavior. They talk of an Oedi-

pus complex, an inferiority complex, archetypes, the anima and the animus, and so forth. The same holds for the discovery of historical and economic patterns, explained in such theories as those of Hegel, Toynbee, Adam Smith, and Lord Keynes. To have this ability is to be good at systems thinking. These thinkers did, and reading their books makes that clear.

The concept of knowledge industries is another such example; the discovery of the concept created a new organization of the business universe. That mental restructuring increases our power over the business environment. For instance, we can say that knowledge companies are distinguished from industrial companies by four factors (Sveiby and Lloyd, 1988): (1) nonstandardization, (2) creativity, (3) high dependence on individuals, and (4) complex problem solving. Industrial companies may need that kind of help, but that is not their business, nor is it their product. Furthermore, knowledge companies, for their own purposes, translate concepts from industrial companies so as to increase their management effectiveness. That is how systems thinking and strategic conceptualization provide new controls over business and the professions.

The following illustrates the use of systemic and strategic intelligence (Sveiby and Lloyd, 1988, p. 21):

<i>Industrial company</i>	<i>Knowledge company</i>
Revenues	Information
Machine	Human being
Capital, fixed assets	Knowledge
Maintenance	Education
Investment	Recruitment
Disinvestment	Departure
Production	Data productions
Raw material	Time

Revenues in an industrial company become information in a knowledge company. The machine in an industrial company is replaced by a human being in a knowledge company. What an industrial company calls *raw material*, a knowledge company calls *time*. What matters in these transformations is our understanding that by thinking in this fashion we create a new world and new power

over our environment. That is why it is useful for a realtor to say, “I do not sell homes; I help customers buy them.”

Those who have a strategic sense are rewarded handsomely. When strategic and systems thinking is applied to understanding finance, the generous remuneration is obvious. For example, the highest-paid professor in a university may be the business professor who understands strategic finance.

Visioning also means thinking internationally and conceptualizing globally—a natural consequence of systems thinking. The whole world is one business, one enterprise, one integrating (but not yet integrated) reality. Technology got us there and will continue to fuel the journey. Science has kept up with globalization, but human attitudes have not. Until our perception of the world catches up with what technology is doing to it, we will suffer the pains of the unreal and the agonies of being out of phase. Here is a further example of the 15/85 formula, for without new leadership, technology cannot get us out of this painful dilemma.

Because visioning means thinking globally, always consider the relationship between your own problems and actions and the events in the rest of the world. In your inner mind, see the hustle and the bustle of neighboring communities, competing businesses, other nations. Speaking more narrowly now, one can say that an organization is effective to the degree that each member knows and cares about what others are doing. Employees who say, “It’s not my area,” reveal their business to be poorly managed.

Where is the sense of home, of territoriality, of groundedness for the Third Millennium leader? It is in the world, on the full globe, not in any secreted house, hidden valley, lost cave, or uncharted coastline. Where are the students, the school, the university of the Third Millennium teacher? They are in the whole world. The world is the true university, not any one school in particular. Third Millennium therapists will no longer talk only of individual patients but rather of company therapy, university therapy, national therapy, global therapy, whole-earth therapy. And so it is with markets. The whole world is your market, no matter how small your business.

A further aspect of the visionary mind is creative problem solving. It is a characteristic of systemic and strategic thinking. It is the ceaseless focus on what the real issue is in a problematic situation,

what the wider context of it is, what you need to do to come out on top in the long run, what questions you ask in order to make a difference. This type of mind will ask,

- Who is in charge?
- What is the right thing to do?
- What are the implications?
- Are we adhering to our core values, or are we getting lost in details?
- What have we ignored, forgotten?
- We are acting like managers, but how would a statesman deal with this situation?
- How would a genius with vision act?

The trademark of this kind of visionary quality is results-oriented speed and efficiency in resolving tough issues. This means not only quick decisions but the right decisions (as perceived by those affected). And it means even more than that. It means to choose to be the kind of mind that makes quick decisions, to choose to be the kind of intelligence that makes decisions that go to the core and come from the highest possible relevant perspective. The visionary leadership mind, knowing that time is precious, works fast.

A results orientation is a matter of vision, not just of simple realism. To achieve results, you must strategically envision the total system. Aristotle distinguished between efficient and final causation: the former is the finger that pulls the trigger and propels the bullet, and the latter is the target that caused the marksman to fire in the first place. Results can be achieved by inverting our ordinary perception of the vector of time from “I am now *here* and will, in the future, go *there*” to “I am already *there*, I came from *here*, and now I must recall how I did it.” You must shift your mind-set from plodding efficiency to visionary final causation, and you will live on results rather than hopes. In short, think of the future as *now*, clearly (visualize it while you are in a state of alert relaxation), and you will automatically choose to move toward it. The Metropolitan Life Insurance Company used to advertise, “The future is now.” That is how leaders think.

It is not subject matter or content that determines whether your thinking is big; it is the way your mind works. You can think big about a pebble, and you can think small about world history. You must also persistently scan your mind for new possibilities, new opportunities, new solutions.

## Creativity and the Unconscious

Now we move into the tactic of creativity and the unconscious. Always monitor, review, and assess what you are doing and ascertain how you could do better and what you could do differently, especially when you think you are doing well. Think in terms of continuous improvement. Think like Thomas Edison, who said, “There is a better way; find it!”

Innovation is the key capitalistic tool, according to Joseph Schumpeter, the celebrated Moravian-born U.S. economist and sociologist. He combines the breakthrough dimension of the leadership challenge with creativity when he writes that innovation “is that kind of change arising from within the system *which so displaces its equilibrium point that the new one cannot be reached from the old one by infinitesimal steps*. Add successively as many mail coaches as you please, you will never get a railway thereby” (Schumpeter, 1934, p. 64).

The visionary leader’s mind is intuitively systemic: “Economic and political life are shaped by human beings who have the ability to get things done, to overcome habitual thinking and perceive objective possibilities hidden to others” (Tinbergen, 1951, pp. 59–60). The Japanese business philosophy of *kaizen*, which calls for constant, continuous, incremental improvement, became well known in the last decades of the twentieth century.

The relentless concern with outcomes and results—where the mind focuses on ends rather than on means, and where you understand that life does not forgive the person who is not riveted to results and to results only—is as much realism as vision. It must also be considered as a component of the latter strategy. Here the two strategies overlap.

You must expect all you do to be fresh, crisp, exciting, imaginative, creative, new, innovative. In other words, the visioning mind is always conscious of the need to be creative. It always reminds

itself that it must be creative; it never descends into sloth. Creativity is too vast a topic to be covered here responsibly, but creativity does involve the unconscious. The unconscious is real, even though it is invisible, and there can be no significant psychology, psychiatry, and psychotherapy without granting this premise. The unconscious is like the body of the soul: it has a life of its own, which nevertheless is you. The unconscious treats you as you treat it. Thus, if you believe in its existence, it will believe in your existence and take good care of you. If the reverse is true, if your unconscious neglects you, then you may well be involved in an accident or succumb to an illness. Openness to your unconscious is simply a safe wager.

Many people have little access to their unconscious; trying to gain access may be neither an important project nor a significant factor in how they manage. The following Oracle question is a typical example of this attitude:

*Oracle Question*

I am used to making quick, logical conclusions relative to work-related issues and approaches. How do I deal with day-to-day frustrations that are generated by others who do not see the same logical conclusions? They continue not understanding what the real approach is or should be.

The writer seems to overlook the fact that people are governed by unconscious motives, not just logical considerations.

The creative process is thought to go through five stages. These are the steps that people usually perceive as practical actions they can take:

1. *First insight:* Play your hunches; follow up your intuitions.
2. *Preparation:* Do your homework. Saturate yourself in the problem. Learn everything there is to know about your creativity concern. Saturate the mind with information. Get a very clear picture of what you wish to create. It must be important to you, something to which you are deeply committed.
3. *Incubation:* Trust the unconscious processes. Change your pace. Allow the unconscious to work undisturbed. Have faith in it. A

good time for it to work is while you sleep. Tell yourself that you will dream the answer to a question sharply fixed in your mind as you drift into slumber. Be alert to subliminal messages from the unconscious.

4. *Illumination*: Hope that you will get an answer, but your mind must be open and receptive to it. It is claimed that great discoveries in science have been made through the use of this method of harnessing the unconscious for creativity. Examples are Kekule's discovery of the benzene ring, Mendeleev's discovery of the periodic table, and Descartes' invention of his famous philosophical, mathematical, and scientific method.
5. *Verification*: Test your hypothesis. The worst that can happen is that it will turn out to have been a false start. You may find that, with modifications, it is a real solution to a problem that was intractable earlier. "Sleeping on it" does seem to make sense.

Creativity, which is closely allied to the unconscious in this tactic, can also be enhanced by following the principle of inversion: reverse what you do or think. If you post orders in the morning for your employees, try posting a blank sheet, inviting them to make requests of you for the day. If you live to acquire power, try giving power away. If you find someone disagreeable, think of yourself as disagreeable. If you are shy, think of someone else as being shy. In this way, you may reawaken the lost parts of your personality.

Another way to reach the unconscious is to view life as a journey that is repeated by all generations and has been for all time. History itself then becomes a precedent for the evolution of the person. You can predict your next stage of personal development by your knowledge of history. (Here, reference is more to the collective unconscious than to the personal or individual unconscious.) Many executives have found this interpretation of their life's journey insightful and stimulating. We say, in biological evolution, that ontogeny recapitulates phylogeny. We repeat the history of the race, both as biological evolution and as human history, including the history of ideas, in the journey of our own lives. For example, review for yourself some of the major and better-known events of history such as the discovery of fire, the invention of writing, the exodus from Egypt, the Crucifixion, the fall of Rome, the Great Plague of the fourteenth century, the Spanish Inquisition,



the invention of science, the Reformation and the Counterreformation, the invention of printing, the Renaissance, revolutions (American, French, Russian), the two world wars, the Great Depression, and so on. Then ask yourself which crisis you are going through now. Which crises have you passed? Which are still to come? And what does it all mean to you personally? Where do you find yourself in the journey of your life today? What still lies ahead? How will you meet it?

The following case illustrates how decisions are made unconsciously and how, when we discover that, we receive reassurance that the difficult decisions we have made were the right ones:

A company we shall call Constructo is a three-man company in France that received a \$250 million contract to develop, by remodeling several historic buildings, a complex convention center. The original buildings were owned by a large insurance company, and this insurance company gave Constructo its massive contract. Constructo was responsible for obtaining and supervising whatever was required to complete the job: hiring the architects and overseeing the drawing up of plans, carrying out all negotiations with the authorities, engaging contractors and construction crews, rebuilding the structures inside and out, furnishing them, restoring the old art, creating the desired public image, properly advertising the services of the convention center, and so forth. The construction itself would take three years. After that, Constructo would also be responsible for running the convention center. Constructo therefore also signed a five-year operations contract.

The construction was completed—with eminent success, on time, and to much praise from the press, due partly to Constructo's well-established and well-deserved reputation as a first-rate construction-management firm.

Administering the convention center was a different story. The center had four "legs" to stand on—restaurants, theaters, a convention hall, and a hotel. One enormous restaurant was capable of feeding over a thousand people every evening. Another, open for lunch as well, could serve two hundred people. The several theaters had to be kept active nightly. It had a large convention hall. Conventions had to be kept coming. And it had a one-hundred-room hotel. All these buildings were finished on time, to the highest standards of quality. But operating such a huge establishment was quite a different and very complicated matter.

Constructo found it impossible to hire managers adequate to all these tasks, nor were the owners of Constructo smart enough to do the job alone; they simply did not have the experience.

With great effort, they did find another company, Foodco, that owned one of the most efficient and experienced restaurant chains in Paris and other French cities. Constructo could not hire away any of Foodco's key people, however. Even if the Constructo owners had succeeded, they would not have found any hired person who could give them the commitment and the initiative they needed, or so they felt.

The only way for Constructo to get experienced management was to create a new company. That would mean to become equal partners with Foodco. A partnership would mean loss of control over the huge project because the partnership would have to be evenly divided. Constructo would have to give up the project in order for the project to succeed, and that was an agonizing decision. Eventually the decision was made, and the new partnership was sealed. In this major decision for both companies, much money was at stake.

Both companies had been run by single, very dominant personalities. François, the chairman of Constructo, was a strong leader, a person who commanded instant respect. The same could be said of Jean-Pierre, the CEO of Foodco. Both men were used to full control, and they were very good. Needless to say, their relationship as partners soon became strained. Problems then quickly mushroomed throughout the newly formed organization.

The critical decision now before the two men was this: they had been individual bosses; now, to grow, they made a fundamental decision—to become a team. The decision created psychological stress and business controversy. Had they made the wrong decision? Should they separate, something that would be not only very difficult to do now but also dangerous for the future of the business? Or was there a deeper message? Perhaps the unconscious would offer a clue.

The following analysis, unorthodox as it may be, appears to have resolved some of the deep-seated conflicts that were so seriously disrupting the business. Their unconscious chose for them, as it were, to *force* on them the next step of growth—from their intemperate and somewhat self-indulgent behavior as individualistic leaders to their functioning as truly integrated and mature team players rationally oriented toward meeting organizational business objectives. Teamwork, in this case, was a higher state of human growth and maturity than individual indulgence. The two dominant men, François and Jean-Pierre, had not merged their businesses because of logic (although that was in plentiful use but was applied more as rationaliza-

tion). They had merged, ultimately, because of instinct. Their unconscious and intuitive processes somehow told them that this is what they wanted to do, and the reason for it was growth in the journey of life, not business calculations. The soul's growth required that it be forced from isolation to encounter, from aloneness to integration, from being cut off to "being with," from monarchy to democracy. Over the months, both men grew to this, their next level of maturity. They moved from anger and depression to new heights of satisfaction and efficiency, and the bottom line reflected it.

The unconscious is the source of creativity, which is illustrated in the story of 3M—a company long recognized for being a master of innovation, for keeping new products coming. 3M has been successful in integrating some of the philosophical principles of the visionary mind into its daily operations. Here is its story of creativity:

It was 1922. Minnesota Mining & Manufacturing inventor Francis G. Okie was dreaming up ways to boost sales of sandpaper, then the company's premiere product, when a novel thought struck him. Why not sell sandpaper to men as a replacement for razor blades? Why should they risk the nicks of a sharp instrument when they could rub their cheeks smooth instead?

The idea never caught on, of course. The surprise is that Okie, who continued to sand his own face, could champion such a patently wacky scheme and keep his job. But unlike most companies then—or now—3M demonstrated a wide tolerance for new ideas, believing that unfettered creative thinking would pay off in the end. Indeed, Okie's hits made up for his misses. He developed a waterproof sandpaper that became a staple of the auto industry because it produced a better exterior finish and created less dust than conventional papers. It was 3M's first blockbuster. (The precedent set by this initial idea became the creative pattern for the future of the company.) Through the decades, 3M has managed to keep its creative spirit alive. The result is a company that spins out new products faster and better than just about anyone. It boasts an impressive catalog of more than 60,000 products, from Post-it Notes to heart-lung machines. [BusinessWeek, April 10, 1988, pp. 58, 62]

In 2000, 3M, whose motto is "We Are Forever New," posted record sales of \$16.7 billion, along with record net income and earnings per share. The company also reported one of the highest levels of innovation in its history, generating \$5.6 billion, or nearly

35 percent of total sales, from products introduced over the past four years (3M Corporation, 2000). How, in practice, is all of this achieved? What are the leadership behaviors and expectations that are institutionalized in this company?

3M relies on a few simple rules. . . .

Keep divisions small. Division managers must know each staffer's first name. When a division gets too big, perhaps reaching \$250 to \$300 million in sales, it is split up.

Tolerate failure. By encouraging plenty of experimentation and risk-taking, there are more chances for a new-product hit. The goal: Divisions must derive 25% of sales from products introduced in the past five years. The target may be boosted to 30%.

Motivate the champions. When a 3Mer comes up with a product idea, he or she recruits an action team to develop it. Salaries and promotions are tied to the product's progress. The champion has a chance to someday run his or her own product group or division.

Stay close to the customer. Researchers, marketers, and managers visit with customers and routinely invite them to help brainstorm product ideas.

Share the wealth. Technology, wherever it's developed, belongs to everyone.

Don't kill a project. If an idea can't find a home in one of 3M's divisions, a staffer can devote 15% of his or her time to prove it workable. For those who need seed money, as many as 90 Genesis grants of \$50,000 are awarded each year. [*BusinessWeek*, April 10, 1988, pp. 58, 62]

Intuition and instinct, nourished by experience and ambition, reflect another component of creative and innovative leadership intelligence. The visioning mind, the intelligence that thinks big, takes many forms, perhaps as many as there are high-level executives and leaders. The visioning mind has sharp intuition and sound instinct based on experience. The experienced, instinctive, intuitive leader stands out from the crowd and survives endless crises because of a trail of successes. Since they have worked in the past, the value of the instincts and the reliability of the intuitions are reinforced. And from the point of view of important business and political decisions, the right intuition means a successful decision.

- Should we invest \$1 billion in developing a new aircraft, or will it suffice to update and improve what we now have?
- Shall we invite the hostile foreign minister of nation X, or shall we snub that person instead?
- What are the implications of these actions?

Market research, polls, and information about historical precedents, necessary as they are, will add only one more set of data to fill in the details of a complex picture. The final decision belongs to the person with the instincts and intuitions, based only on long experience, that tell what will work and what will not.

How can you cultivate intuition and instinct and encourage experience? Be alert to these qualities in yourself and in others, so that when they appear in you, you recognize them. Strive for these qualities and practice using them. Be conscious of what else occurs, inside the person and in your own environment, when you see a sound decision being based more on experience, instinct, and intuition than on analysis and research. Just as you can imitate physical behavior and create a parallel environment, you can stimulate a similar inner state into existence. You see others trusting their intuition, and you imitate that yourself. Then you examine the results and learn from them. It is partly a simple matter of practicing.

Let us consolidate these ideas by saying that a *visionary leader* is *instinctive*, *intuitive*, and *experienced*, and let us remember that such leaders are not born (although some may develop naturally and with ease, as talented musicians and athletes do) but made. Who makes them? They make themselves. You can turn yourself into this type of leader by the choices and decisions you make over your lifetime.

Experience can be developed only through more experience. The authentic leader always looks out for new experiences. You cannot anticipate exactly what a new experience will teach you (that is precisely why it is new), what your feelings will be, or where the newness will take you; a bachelor does not know the inner feelings of marriage, nor does he (if he has no children) know the emotions of fatherhood. Leaders grow by accelerating experience.

Another aspect of the visionary leadership mind is ambition—not the kind that feeds on other people, that takes away in order to get but the kind that is constructive, helpful, useful, has a certain charm, is worthy of imitation, and endears others to the leader

rather than makes them envious. There is ambition that offends and ambition that endears. There is ambition that is greed and ambition that serves; the latter is true leadership. The leader's ambition towers above that of others because through it others can be served, not because the leader craves riches, which can lead only to isolation from the world.

Ambition is constant. Its source is inexplicable. It is a form of the instinct to survive. It is a manifestation of the life force, an expression of the soul's striving for perfection and transcendence. It is an ongoing dissatisfaction with what is and an insatiable appetite for realizing potentials that, by definition, can never be fulfilled. Persistence in vision is characteristic of the leader. The light of the final goal rarely flickers. Effortlessly, the mind focuses for a lifetime on a single ambition—cloudy at times, perhaps, but clear when found. Ambition keeps people young and energizes society. Look for ambitious people whom you find attractive and imitate them.

### **Awareness of Possibilities**

The key step to take in order to understand this fourth tactic is *reflection*. We do not do; we *reflect* on what we do. You and I are engaged in talking about the World Series. This is doing it. We reflect on it when we ask, "What kind of a conversation are we having? Are we having fun? Are we listening to each other, or do we merely want to hear ourselves talk? In this conversation, are we exhibiting values that make us proud, or are we acting like children?"

The deepest way of being smart is not to be and act but to reflect on being and acting, not to think but to reflect on thinking, not to perceive but to reflect on perceiving, not to *be* it but to *look at* it. Reflection creates distance, separation, space. And the space it opens is the experience—or the perception—of consciousness itself. It is also the perception of space and the perception of time. This is an important insight.

The act of reflection—and a conscious act it is—is like traveling on a space ship: it opens totally new vistas. We now see not objects but our consciousness of objects. A friend will ask you, "How is your wife?" This makes for indifferent conversation. But a psychiatrist will ask you, "How are things in your marriage?" This

causes reflection, and with it anxiety and learning. That is why, for example, if we want to know what 9/11 meant, we must learn to recapture the experience and then reflect not only on what we saw—the collapsing towers—but how we experienced what we saw.

Animals sense but don't reflect on what they sense. And that makes all the difference. Enhancing the mind to genius level and coming up with brilliant strategies are two results of nurturing our capacity for reflection. Books like John Warden and Leland Russell's *Winning in Fast Time*, Kevin Kelly's *New Rules for the New Economy*, and Daniel Pink's *Free Agent Nation* exhibit this capacity for reflection and demonstrate its leadership value.

Vision means to be at home in the infinity of inner space and time. There exists a vast expanse of inner space, just as there exists an endlessness of inner time. Mathematicians (through what is known as *a priori* knowledge) have traditionally believed that the thoughts of inner space and time are the laws of outer space and time, that is, of the universe (the laws of causation, mathematics, logic, and geometry).

Meditation may help you achieve access to and control over inner space and inner time. To concentrate on them is also to expand your mind. As you get a sense of the infinity of your inner world, your mind will also expand its creative and innovative potential. Train your binoculars on your inner landscapes and your telescope on your subjective galaxies.

Roger W. Sperry, Nobel laureate in physics, writes,

Current concepts of the mind-brain relationship involve a direct break with the long-established materialist and behaviorist doctrine that has dominated neuroscience for many decades. Instead of renouncing or ignoring consciousness, the new interpretations give full recognition to the primacy of inner conscious awareness as a causal reality.

In fact, the winners of the 1972 Nobel Prize in physics and chemistry, when asked what awards would be given in their fields in the year 2000, replied, "The study of man's consciousness. This is the new frontier" (Sperry, 1987, p. 6).

Although, in fact, no Nobel Prize was awarded for the study of consciousness in 2000, the continuing importance of the field is

clear. The mind-brain relationship was a primary focus of the “Decade of the Brain” project of the 1990s. “Consciousness is a hot scientific topic,” according to the *British Medical Journal*. “Philosophers such as Daniel Dennett and Paul and Patricia Churchland, as well Francis Crick, discuss from the basis of detailed knowledge of neurophysiology and brain anatomy how the mind can be brainy” (Gregory, 1998). The works of American philosopher Ken Wilber, especially *The Atman Project*, explore the nature of consciousness with inimitable introspective genius.

Go back to the puzzles and the SAT questions at the beginning of this chapter. To get the answers requires abstract reasoning, but to understand the processes by which your mind reaches those conclusions is quite another matter. Abstract reasoning means being involved mostly in thinking, engaged with the objects of thought. But to understand how your mind works as it tries to arrive at the answers means detaching yourself from the thinking process itself. First you think as we normally think, but then you also think about how you think. You think, and you also reflect on your thinking. You do both at the same time. That requires expertise in the last tactic of visioning, namely, the ability to exist within the infinite space-time expanse of your mind and, from that exalted perspective, review what you do when you think.

Visioning is enhanced by an attitude of nonattachment, of being detached from emotional identification with the issues at hand. Nonattachment, as a philosophy of life, has been both a stoic practice and a key step in Eastern philosophies. Nonattachment is a fundamental skill required for the creation of visionary leadership intelligence.

Visioning is the ability to shift from the natural to the reflective attitude, from being who you are to reflecting on who you are, from acting out who you are to observing and evaluating who you are, from seeing the world from within your subjective ego to seeing yourself objectively within the world, from acting to examining your actions.

Visioning means to reach the next-highest level of perspective. When you view what you do from the next-highest level or point of view (observing yourself enjoying a party, for example, or surveying the life of your city from a satellite), your consciousness itself goes through a fundamental transformation. To know how to



precipitate that shift is one of the secrets of breakthrough creativity. Whenever you reach an insoluble problem, try shifting your consciousness from the natural to the reflective attitude, and suddenly you will receive innovative and higher-level solutions.

This higher-level perspective becomes the leadership key to solving otherwise intractable problems. Whenever you feel stuck in your leadership concerns (“Why is this group not a team?” “Why do some people refuse to follow orders?” “Why can some people not accept a majority decision with which they disagree?”), raising your consciousness to its next level of perspective can promise you solutions. Some questions cannot be settled with ordinary logic. They require a metalogic, that is, a logic *about* the logic you are using. You then discover deeper personal psychodynamics and invisible systemic social forces. In making a conscious shift from agent to observer, your attitudes and intentions change, and what was once a problem no longer exists as such. Speaking literally, you may not solve anything, but the problem itself dissolves. It turns out to have been a pseudoproblem, or infantilistic behavior. The principle of the higher perspective frees the mind for its next action. The higher the perspective, the easier the solution; the narrower the perspective, the tougher it is. (There are two chapters on this fourth vision tactic in my book, *The Heart of Business*, where this type of thinking is called transcendental intelligence.)

Vision as strategy also means transcendence. You see only a cloud, but you know that behind it is Mont Blanc. Your mind sees into the farthest distance. Reflexivity means to look at yourself. Transcendence (or self-transcendence) means to look beyond yourself—beyond what your eye commonly sees, past the horizon, and through the fog. The visionary leadership mind always looks farther than the eye can see and asks what is beyond the horizon, above the clouds, under the waters, inside the mountains, within the atom, inside the black hole.

Critical to visioning is always to be proactive. The leadership mind anticipates what will occur; it is always ahead of its time and always forward of its space. Reactive thinking and behavior may be necessary, for life is full of crises. But the mind that is responsive exclusively to environmental stimuli will have lost its integrity. (As one manager said, “If I did not have a crisis when I went to work, I would not know what to do!”)

Your mind is always split between existing in the here-and-now and existing elsewhere in space and time, on the globe and in the future. You lead a dual existence: you are fully here, engaged, involved, and you are also not fully here; you are distant, objective, observant. The leadership mind holds such contradictions within itself.

Finally, visioning is greatly improved with stimulation. Welcome and seek stimulation. Do not think, even for a moment, that you have the answers or that you need not learn from others. Socrates' great wisdom was that he acknowledged his ignorance. And choosing to make these types of decisions—leadership decisions, visionary decisions—is a mind-set that can be found, described, imitated, and practiced until it becomes habit. That is one further and teachable aspect of leadership intelligence.

You can set up for yourself a series of exercises, activities, experiences, commitments, and processes to practice each one of these leadership tasks. You must treat these mind-control protocols as you would any other set of exercises for skill building, whether for swimming or solving quadratic equations, playing tennis or performing on the oboe.

Remember vision when you think of George Bernard Shaw, to whom is attributed the following: "You see things; and you say, 'why?' But I dream things that never were; and say, 'why not?'"

## Time

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"All my possessions for a moment of time," said Queen Elizabeth I with her dying breath in 1603.

In 1967, testimony before a U.S. Senate subcommittee indicated that, by 1985, people could be working just twenty-two hours a week, or twenty-seven weeks a year, or that they could retire at thirty-eight. That would leave only the great challenge of finding a way to enjoy all that leisure. In fact, however, a Harris survey in 1999 indicated that full-time employees were working an average of forty-six hours per week. And according to another survey firm, "The barrier between work and leisure continues to erode." About 43 percent of respondents in a 2001 survey by Ipsos-Reid said that "they spend time in their off-hours dealing with work issues or on call to deal with work issues" (Ipsos-Reid, 2001). Needless to say,

for today's executive the concept of time, or the experience of temporality, requires special attention.

Time is included in the last of the four tactics under the dominant leadership strategy of vision. This last tactic or resource is the most philosophical of all the vision tactics. As we explore the subjective sense of time—and to the extent that we understand that subjective time corresponds to objective time—we recognize the practical importance of exploring this concept. The exploration of time expands the mind. This endeavor has been a traditional and major task for philosophy.

Pervasive and inescapable executive complaints are the lack of time and the pressure of time, producing stress, burnout, and illness. Executives rarely feel that they are adequately organized or that they measure up to the demands of their priorities. For persons in positions of responsibility, success and failure in business are, in truth, success and failure in the mastery of time.

Time management starts with an understanding of time. The sense of time is produced by the anticipation of death. Animals do not feel the pressure of time. They do not have the concept of time, because they do not possess the idea of their own death. Time can be experienced or thought of as an external act—a reality outside of me, within which I exist and which limits and constricts me. This kind of time is called clock time or spatialized, mathematical, linear time. The only solution to the pressures of clock time is to fragment it, to set priorities, and to marshal fierce self-discipline. Such effort, although laudable, nevertheless leads to the mechanization of the self, the technocratization of human existence. It logically promotes regimentation and bureaucracy, that is, technical efficiency. That may be necessary, but it is neither living nor human.

The greatest source of time pressure is bureaucracy. Bureaucracy is a disease, a toxin that infects the modern age. Bureaucracy is the direct result of mass everything: production, communication, marketing, standardization. It is a necessary consequence of size, and the individual must guard against its demoralizing and otherwise destructive effects. Bureaucracy occurs when an organization becomes large and therefore impersonal. It invariably regards its people as objects, things, machines, instruments, tools. In a bureaucracy, people can be replaced by robots and other high-technology devices

(with significant improvements in productivity, one might add). Bureaucracy requires that people submit themselves to the needs of the organizational machine. People must regiment and document their lives, both of which activities are seriously anti-ergonomic, for life is to be lived from within, not from the outside. We are life's agents, not its spectators or victims. Every human being demands and deserves personal attention, not mass, standardized, often irrelevant, and always heartless management. To overcome bureaucracy may require radical decisions, sometimes of extraordinary courage, like recognizing it, naming it, removing its causes (size, the concentration of power)—eventually even emigration. People who live inside an organization, not inside themselves, must surrender their creativity and integrity to the needs of the organization. That means they live *in* time—a time that is neither themselves nor theirs but rather a time that is imposed on them from some external source and alien reality.

Time is also an internal fact: I am time; time is the very essence of the self. The inward ego is a time-generating organism. This attitude toward time—supported by philosophers from Saint Augustine to Bergson and from Plato to Kierkegaard and Heidegger—means that a person lives from the inside out. I can never feel pressure from what I am or from who I am, only from what I am not. The solution to time problems lies in exhibiting one's most profound integrity, authenticity, and courage, for time and integrity are one.

Problems with time cannot be resolved at the level at which they are experienced, for they are experienced at the level of being *in* time, and they can be solved only at the deeper and more real level of *being* time itself. That level means being totally true to oneself. This truth about time becomes increasingly apparent as one rises on the ladder of executive responsibility. To the degree that one's life is fully authentic—clearly in tune with what one experiences as one's destiny, manifestly originating from within one's deepest inward source (consistent with the fundamentals of mental health and ethics)—one has no problems with time, for then there is meaning in everything one does, and there is fulfillment in every expenditure of time. One lives life naturally, from the inside out, *as* time (and not, unnaturally, *in* time, from the outside in).

Problems with time are ultimately problems with authenticity (which is also to say that authenticity is the correct experience of time), with being true to one's meanings, with responding to one's

existential guilt, and with maintaining a total perspective. It is here, in the character dimension of the human core, that time problems are both formed and solved.

To believe that time problems can really be resolved at the level of being *in* time—through discipline and organization—is, in effect, to manage the destructive impact of bureaucracy on the individual with additional, bureaucratic measures—a traditional “scientific” and “technical” business solution. It is an objective answer to a subjective question, an “outside-in” response to an “inside-out” dilemma.

In practice, to *be* time rather than to live *in* time means to find your meanings: What can you do that no one else can (such as fulfilling the expectations of a specific loyalty or relationship, or performing one specific task for which you have superior skills)? Listen to your unconscious, and ask yourself what acts of courage are still required of you before you can die with dignity and honor.

The pressure of time is really the pressure of existential guilt. You feel under stress because you do not yet live fully up to your meanings. As C. G. Jung has wisely said, a psychoneurosis is the suffering of a soul that has not yet found its meaning.

Work, for the average employee, is external to his or her life; therefore, work is experienced as a constraint imposed from outside the self. The self must cope with a medium that, like a foreign protein, is alien to itself. And that is time, for it exists *in* time. Here, the self lives from the outside in.

Note the paradox. You are time. When you live like that, you have no problem. But you think you are inside something else that you *call* time. Then you are outside yourself. No wonder you are then confused and under stress. Leisure, pleasure, entertainment, fun, fulfillment, ecstasy, joy are internal to life. They arise from the seat of the self. Here the self *is* time and lives from the inside out. Bureaucracy can thrive only in the condition of one’s being *in* time.

What can you do? Direct your life (and your organization) so as to make work part of your life—part of living from the inside out, part of your inner production of time. Do not separate work from home or leisure. Do not compromise your full self-disclosure. Know your meanings, and commit yourself to them. Existence is not an easy task. It takes a lifetime to come even close to achieving authenticity. But as you move in that direction, your problems with time management will resolve themselves. *This works; nothing else*

*does.* Do not stop organizing your time, but know the difference between a true solution and an anodyne.

You will never be totally true to yourself, but to the degree that you make a commitment in that direction and to the extent that you approximate that ideal, the world will respond. This means that your health will improve—your physical, spiritual, intellectual, emotional, relational, educational, and financial health. You will attract from your environment the people, systems, and financial support required to fulfill your deepest essence, for what you do is also the most natural thing to do. This new health, springing from within, will express itself in diminished problems with time because life is now your own, and so is time. To accomplish this is the slowly unfolding project of a lifetime. Each day that you embark on this process can feel like a success.

In sum, if you have real problems with time scheduling (problems that lead to symptoms), it means that in some fundamental way you do not like your work, that you are not leading your work life (or your life in general) as you deeply need to lead it, and that you are not assuming full and mature responsibility for your own life. Time problems that lead to burnout suggest that a fundamental decision about who you are and how you shall lead your life has not yet been made and is overdue. And that is a decision that takes great courage to face. Unless you address this need for *decision* and for *courage*, your scheduling problem cannot go away.

## The Structure of Lived Time

Understanding time alleviates problems with time. The first distinction, mentioned earlier, is between clock time and lived time. The former is measured, and its steadiness depends on mechanisms external to the self. The latter is felt, experienced, perceived, lived, and thus “real” in the more basic philosophical (specifically, epistemological) sense. The human-core approach to time management is, first, to know the difference between authentic and inauthentic experiences of time and, second, to achieve control over lived time.

Control over time is achieved not by what you do but by your decisions about attitudes and perceptions. You are a time-generating organism (time does not exist without your creating it through your living). You can change your perception of time. To do so will

give you the best chance yet to cure your problems with time pressure. Here are various modes of experiencing lived time.

### ***Time in General***

Time, when perceived and lived authentically, consists of three dimensions: (1) the lived or experienced *future*, (2) the lived or experienced *past*, and (3) the lived or experienced *present*. We normally live essentially *in* the future and *for* the future. Our inner eye is focused on what lies ahead; our sense of self is “ahead” of ourselves. But that future must be connected intimately with the present, which in turn is the zone of real life, of activity, of action. We use the past as a resource to exist in the present—to orient ourselves and make decisions in the present that will move us into the future.

There are frequent disruptions of these fundamental structures of lived time. As we correct these disturbances, we also correct our lives.

### ***The Future***

The White Queen says to Alice in Wonderland, “It is a sorry memory that works only backwards.”

When healthy, the future is open, flexible. It is the realm of possibilities. But it can also be structured and predictable, to the extreme of being fixed and rigid. That becomes obsession and compulsion. Or the future can be totally blocked, closed; there is no way to reach it. That is depression. The future can also be empty, bereft of the sense of consequences. We can feel no power over it, no sense of efficacy; the future then is not us, not an extension or projection. We do not live in it and therefore do not feel responsible for it, and this is the key.

Another consideration is how the future is related to the present. The future can be connected with the present. It can evolve out of the present, be caused by the present, or it can be disconnected, alienated from the present, perceived as not caused by the present.

### ***The Past***

The past can be accessible, available, reachable, retrievable, usable, or inaccessible, unknown, unusable, or unused. The past can be experienced as causing the present, as developing into the present,

as unfolding into it. It is then characterized by feelings of continuity, causation, and consequences. It provides a sense of history, of journey, and of narrative. The past is valued. If the past is not connected with the present, does not lead into it, is cut off from it, then the past is not valued, and history is of no significance.

### *The Present*

When authentic, the present is experienced as both alertness and as self-disclosure—as anxiety, guilt, freedom, decision. It is the source of action and the zone of courage. Or the present can be experienced as a trance, as sleep, denial, inaction, and cowardice. The present uses the past, with which it is intimately connected, to move toward the future. This is an integrated life. Or the present functions independently of its past and future or is disconnected from either. This is a fragmented life.

### *Transcendence*

There is a final position: the transcendence of time—the experience of and existence in the eternal now (or, more accurately, the eternal here-and-now). It is life outside time. It means seeing time as a phenomenon external to the self. It is a mystical vision.

### *Velocity*

Lived, subjective, or experienced time has a speed. If time passes slowly, it can mean boredom, an unpleasant task, pain, anxiety, or guilt. If it passes at moderate speed, then it may mean satisfaction or indifference. But if time passes quickly, then there may be joy and intense happiness, distraction, entertainment, or absorption, that is, *meaning*.

### *Unit*

The unit of time or the time frame in terms of which we experience or measure lived time can be related to intelligence and to leadership. Up to a point, the unit is connected with self-concept, age, maturity, and the capacity to plan. Typical units are one day, one week, one and six months, and one, three, five, seven, ten, fifteen, twenty, and twenty-five years. You do not merely look twenty-five years ahead; you also see the total twenty-five-year span as one unit. You have a sense of history. Which unit is yours? Can you



change it? How would that improve your leadership effectiveness? How would your health improve?

### *Projection*

Related to the unit of time is projection in time. Where do you focus when you think ahead (or just plain think)? Where is the focal point of your existence? In the present? In the past? In the future? At precisely what point? Can you draw a lifeline and mark it with an X the point on which your consciousness is focused? How would changing that point affect how you lead your life?

There is the immediate future. That covers tomorrow: the schedule of meetings, classes, minor jobs, tasks, assignments, errands, calls. There is the mediate future, which refers typically to such slightly more distant matters as vacations, weddings, graduations, anniversaries, major tasks, or projects. Then there is the distant future, covering such matters as one's financial planning, final educational degree, license, or certificate, final promotion, life's ambition, career planning, and so forth. Finally, there is the terminal future, which refers to the image of being a very old man or woman, being on one's deathbed, being an aging grandparent or great-grandparent, thinking of oneself in a home for the aged or a hospice. Where are you? What are the implications? What happens if you change the focal point in your sense of time?

In sum, feelings of hope, anxiety, guilt, depression, and confusion are all connected with how you perceive time. As you can change your sense of time, so also will you change your moods.

Communication depends on understanding one's own and another person's sense of time. "We'll start our project in one year." To one person, who may be young, such a wait may be perceived as short (as 2 percent of time before death). To another, who may be older, one year may be a long time (7 percent of time before death). For the second person, therefore, the same amount of time may be experienced as 350 percent more valuable than it is for the first.

In conclusion, we can say that a healthy sense of time is connected with other aspects of authenticity and forces us to deal with them—claiming our freedom, initiating action, insisting on alertness, and maintaining perspective (always seeing the total picture). Such a sound attitude toward time is a precondition for organizing

life—organizing it in every sense of the word and keeping it that way. (A delightful little book on time is Servan-Schreiber’s *The Art of Time*, 2000.)

How do you, as a leader, live the time of your life? T. S. Eliot, in his poem “Burnt Norton,” expressed well the structural integration of subjective time:

[Text not available in this electronic edition.]

An authentic leader is not only a visionary but functions in the way a helicopter does. He or she flies high to get the big picture but can quickly zoom down into a specific trouble spot and attend to minuscule details. To that concern we now turn.

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### *Answers to Puzzles*

1. Compress the two days into one. If two scouts go in opposite directions on the same day, it is obvious that they will indeed meet along the way. That is the place.
2. Yes. The Fourth of July is both an American holiday and a regular calendar date.
3. The bottle costs \$1 and the wine is worth \$11 (\$10 more than the bottle).
4. Yes, as a five-pointed star.
5. By not playing each other.

### *Answers to SAT Questions*

1. e
2. d
3. e
4. d

## CHAPTER 4

# Reality Having No Illusions

In this chapter, we strengthen the sense of reality, the contact with the facts, the feeling of sinking your teeth into something—an attitude that is, as it should be, cultivated intensely in business. Such is the meaning of reality as a dominant leadership dimension, or strategy. Each tactic contains many elements, some overlapping. Together, they should craft for you a comprehensive mosaic of what it means to be in touch with the real world.

### Elements of the Tactics

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Good business strategy requires staying in touch with reality, that is, paying meticulous attention to practical details and to the precise needs of your immediate and end customers. Visionaries often have trouble with these details. They do not comprehend that the forest is made of trees. It appeared early in 2002 that the collapse of Enron might be a case in point. As the Enron bankruptcy story began to unfold, it seemed that the company's leaders had overemphasized strategy (vision) at the expense of realism (reality), cutting ethical corners (ethics) in the process. The strategy of translating an energy company into a financial broker had been brilliant, and Enron—six times honored by *Fortune* magazine as the most innovative company in America—had made the strategy work. In the end, however, it appeared that founder and chairman Kenneth Lay lost control of what often was referred to as Enron's "Byzantine financial structure" (Zellner et al., 2001). According to an article in the *New York Times* in August 2001:

[Text not available in this electronic edition.]

Information revealed later suggested that Mr. Lay might have known more than he chose to admit in the August interview. Even so, had he been firmly in touch with reality, would he have made the same choices?

Meticulous attention to detail is critical to the success of any enterprise. The owner of an international resort chain may have superb visions of expansion and a comprehensive understanding of the world tourist trade and of international financial markets, but if that person cannot be effective and get results in seeing that maintenance and service are impeccable in every detail—that there are no cigarette butts in the ashtrays and no leaks in the faucets—then a vast investment will sink as it crashes against the rocks of the more professional competition. Quality can often be reduced to attention to detail. Attention to detail means methodical preparation and thorough planning. It means installing the necessary controls—something apparently not done at Enron. It means dividing up tasks efficiently. It means using resources well and being economical with time.

Another aspect of reality, which lies on the border between the objective assessment of reality and the ability to survive in it, is the bureaucracy that surrounds us. Balzac said that bureaucracy is a giant mechanism operated by pygmies. Concern with details is bureaucratic, but it is precisely such attention to meticulous preparation that ensures quality and thus success.

The governmental environment is bureaucratic. International relations are bureaucratic. Your own organization, no matter how small, will have its own bureaucracy. Credit cards, insurance, loans, billing, taxes, employment regulations, corporate law, rules gov-

erning the use of financial instruments, stocks and bonds, futures, real-estate transactions—all engulf us in inextricable webs of bureaucratic red tape. Bureaucracy is depersonalizing, alienating. It entails treating human beings without feeling, without compassion, without forgiveness, without consideration for their uniqueness or their special circumstances. It entails not touching their center. Bureaucracy means elevating rules so high that they became more real than living persons. Surely the following is bureaucracy uplifted to its pinnacle of glory:

[Text not available in this electronic edition.]

Bureaucracy is nevertheless necessary for efficiency's sake. Bureaucracy gets you to work in the morning, provides your lunch, sends your paycheck, pays your medical bills, and sustains your job. Bureaucracy protects the nation from total chaos. It is a reality that you must confront, accept, conquer, understand, appreciate. But it is also a reality that you must never allow to destroy you as a human being, as a soul embodied in flesh and blood.

### **Extensive Information and Objectivity**

Leaders who are realistic are well informed. They thoroughly understand the company, the business, the industry, and the national and international political, social, and economic realities that their organizations confront. Leaders with a highly developed sense of reality keep up with their professions, continuously updating their skills. A leader is intelligently and continuously apprised of the innovations, trends, news, interpretations, and context of all that is germane to his or her executive responsibilities.

Survival clearly requires awareness of the world in which you live and in which you must manifest your leadership effectiveness. You must, therefore, understand the organizational structure—the lines of authority, the demarcations of responsibility, the sense of turf—in your business or professional community.

One particularly important part of the development of business in the last twenty years has been the matrix organization. It is an organization with criss-crossing (intersecting) lines of authority, creating confusion, double loyalties, contradictions, and intense frustration. The matrix organization is often perceived as accountability without authority, which is nevertheless necessary in order to meet the economic realities of today's increasingly competitive world. To cope with the human side of project management requires *matrix intelligence*—a special way of perceiving the contemporary workplace. It requires inordinate patience, diplomacy, endurance, credibility, initiative, and persuasiveness. To succeed in such objective situations is to have a mind that is results-oriented.

## Survival

Surviving means, first, taking care of yourself; then it means being relentless, as well as realistic, in your pursuit of results. Realism in business means first and foremost a market orientation. It is a form of perception, a pervasive attitude toward life itself. Peter Drucker has said that marketing is everything. Business is an attitude—the attitude to be totally and fully in touch with the reality of the market and respond to it effectively and successfully. Business, like science, is a language constructed to cope with recalcitrant reality. But the principles of the language of business extend far beyond commerce; they reach into all aspects of life. *Results* are the only language that makes sense to the business mind. *Results* and *reality* are the same word. Unfortunately, large businesses, like government institutions, surround their employees and middle managers with a protective wall that blurs their perception of the market and other economic forces. The market is real, and every employee must feel it. As a rule, only owners of small businesses feel, directly and daily, the impact of the marketplace, but only in such realistic circumstances can authentic leadership be exercised.

Two rules of market orientation define the well-led company: every employee must be close to the customer, and every employee

must be close to the company's total business plan and understand the reasons for it. This kind of realistic contact is not a matter of mere words or instruction or communication; it must result from the structure of the organization itself. Intelligent decentralization can put every employee face-to-face with the customer. Rotation, for example, as well as participative management taken seriously, can put every employee in contact with the strategic needs of the organization.

Specifically, market orientation means to know precisely who your immediate customer is and to be aware at the same time of who your end customer is. In a sales organization, for example, the salesperson's immediate customer may not be the prospect but the salesperson's own sales supervisor. Understanding what the prospect perceives as value may be far less important for the career of the salesperson, and even for the effectiveness of the organization, than accepting what, for the supervisor (who makes bonus and promotion decisions), is the perceived value.

Market orientation is close to results orientation. Some management, however, focuses on process instead of results. It demands continuous improvement, constant analysis, and modification to enhance the quality of the work performed. That is good. That is the pragmatic level of leadership. But there is also results orientation, which comes closer to the breakthrough level of leadership. Results are category leaps, quantum transformations. They require the genius mind-set, the thirst for transformation.

Although the hard-as-nails executive is perhaps less prevalent in the United States today than a decade or so ago, some U.S. companies still adhere to the uncompromising, militaristic attitude that only results matter, an attitude well illustrated by *Fortune's* periodic compendium of "America's toughest bosses." Such bosses, for instance, say things like this (Dumaine, 1993, pp. 39, 41):

- Given a choice between having my boss crawl up my butt and keeping my job or having him pull the plug on me, I'd take option A anytime. (T. J. Rogers, CEO, Cypress Semiconductor)
- I've yelled at people and I'm not ashamed of it. We have to run this company efficiently and without a bunch of babies who say, "Mommy yelled at me today." It's impossible to run a leveraged operation like camp. If you don't like it, leave. It's not a prison. (Linda Wachner, CEO, Warnaco)

Of course, these views are not necessarily shared by subordinates. According to *Fortune*, for example, employees described Rogers in the following ways: “Punishing . . . expects you to know all the answers . . . uses intimidation to get what he thinks is right . . . a master of mind games” (Dumaine, 1993, p. 39). Wachner was described as “[demanding] absolute fealty [and] a screamer who’s not above swearing like a trooper” (p. 41). Warnaco later declared bankruptcy, and in 2001 Wachner was ousted as CEO.

These examples illustrate situations in which the survival tactic either constitutes the entire personality or is so overbearing that the other strategies and tactics pale by comparison. It is demonic in the sense that one trait takes possession of the entire personality. What is recommended is integration. Survival is a leadership trait, but if it exists in isolation, we have the phenomenon of the collapsed leadership mind.

On a fundamental level, results and marketing orientations are strictly tied to survival. But the mind obsessed with survival, and with survival only, is more like a predatory animal than a balanced human being; survival is all that matters. Soldiers understand that. Civilians in war-torn cities know that. Impoverished immigrants know that. Wild animals—from deer to rabbits, from foxes to hyenas, from birds to fish—all understand that. Success in leadership depends heavily on how task-obsessed and survival-focused the leader is. A mouse, when threatened, zips to a shelter. It will eat anything edible, and then some. That is its life. Its little mind is conscious of but two things: safety and food. It does nothing but pursue those two goals, as if nothing else in this world existed. That encapsulates the results-oriented tactic of the leadership mind. It is the survival tactic, the results- and market-oriented tactic, in the reality strategy of the leadership mind. It is unpleasant and mean but effective.

A realistic leader who is obsessed with survival always asks, “What specific things can you do?” and “What specific results can you achieve?” If the answers can be quantified, so much the better. A realistic executive has an iron grip on the core of the business, on what is needed for survival. That is what, in business, is meant by content, as opposed to process.

For you to survive, in business and professionally, you must also recognize the realities of the political process. Company politics are inevitable. Company politics are apparent and implied, mani-



fest and tacit. You can try to avoid the negatives in company politics and use organizational politics positively. In general, you can counteract the dehumanizing aspects of a business by mobilizing your own inner strength with the support of the community. An eloquent writer on this subject is Peter Block (see especially *The Empowered Manager*, *Stewardship*, and *The Answer to How Is Yes*). Do not fail because you do not know how to work the process, how to survive the culture. That is part of the reality you must confront when working in organizations. That is realism. That is survival.

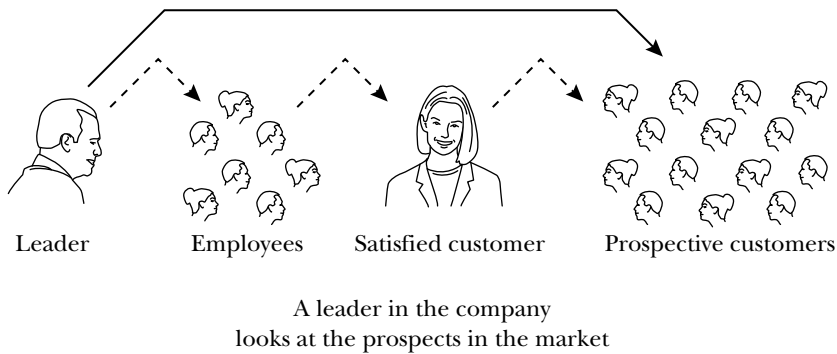
A final example of the survival tactic comes from another executive who at one time was named by *Fortune* as America's toughest boss: Jack Welch, who retired in 2001 as chairman and chief executive of General Electric. His leadership philosophy was well summed up in these hard-hitting principles:

- Face reality as it is, not as it was or as you wish it were.
- Be candid with everyone.
- Don't manage; lead.
- Change before you have to.
- If you don't have the competitive advantage, don't compete.
- Control your own destiny, or someone else will.

Looking beyond mere survival, we know that the surest way to pragmatic executive success is to train the mind, principally in two separate tactics. The first is systemic and strategic thinking, which is part of the strategy of vision. The second is survival (discussed here), which is part of the strategy of reality. If you make yourself like that, people may not like you, and you may not be happy, but you will surely be financially successful. You can add the critical success factors from the strategy of ethics (teamwork) and from the strategy of courage (will power). In this way, you will have fashioned for yourself a complete profile for executive success, going beyond the limits of the tactic of survival in the strategy of realism.

The realistic leader always has his or her mind sharply focused on outcomes. That requires vision in addition to realism. The means are always secondary. The results are where vision is focused. Getting into that habit of thought toughens the mind to realistic performance. Even a satisfied customer is not enough; what you need is to excite the general public to want to purchase the product or service (see Figure 4.1).

Figure 4.1. Outcomes



— Ends    - - - Means

“Take care of yourself” is a frequent admonition of psychotherapeutic treatment. In this view, a person’s first obligation is to survive, especially emotionally. Authentic people take care of their emotions. They do not allow others to manipulate their feelings. Realism, conceived in this fashion, describes a reasonably detached and independent human being who is, as it were, systematically self-ish. “Do not become too attached to others” is the prescription: do not allow your children to control you; have a life of your own; do not fall hopelessly in love; be ready for “tough love”; always look out for yourself; do not sacrifice yourself for others. We are dealing here with a very pragmatic, unromantic, and unsentimental approach to life. That, too, is realism.

But there is a less cynical, more positive way of taking care of yourself, of managing survival. It can be stated as follows: *the realistic leader takes care of his or her own feelings*. If you are depressed or disappointed or feel unfairly treated, then you, as a realistic leader, must recognize, first of all, the degree to which you are being childish, infantile, or even neurotic—the extent to which you have not yet grown up to the realities of the world. This is not to say that your anger at injustices is unwarranted, but it is the responsibility of the realistic leader to be able to distinguish objective truth from subjective self-pity.

You must also take care of your own feelings, no matter what their origin. You do not expect others to make you feel better and

you do not blame others, nor do you feel sorry for yourself. Quite the contrary. You take charge of your own mental health. You create your own enthusiasm, your own hope, your own solutions. You meditate on the symbol that has been made of Churchill during the most desperate days of World War II. To go beyond self-pity and take charge of your own emotions is the height of realism. But this is more than the strategy of realism. It is also the strategy of courage, with a strong dose of the tactics of isolation and free will thrown in.

Although leadership is about yourself, it is not only about yourself. What do you do when your colleagues—subordinates, superiors, or peers, or even your customers, for that matter—deny their responsibility for themselves and instead wallow in self-pity? As the leader, you need to manage that, with realism. Be understanding, be compassionate, be sensitive, give comfort, provide help and support. But also expect healthy behavior, adult comportment, grown-up demeanor. Demand the governance of reason. You must also be prepared to confront people with the truth that reality has limits. Above all, you must communicate. You must engage in dialogue. Always offer dialogue. Never give up on dialogue. Always communicate with candor. Beyond that, you yourself must be the model, the sterling example of adult behavior of taking care of your feelings. And you, as leader, must always give hope to others by generating your own energy, your own vigor, your own resourcefulness, showing effective responsibility for your own sustained enthusiasm. Remember that the personal side of leadership is what, in the end, supports the strategic business needs of the organization. That will always remain the secret of a well-managed and profitable company.

## **Direct Contact and Embodiment**

This tactic deals with reality at its deepest: the philosophical level. Some points are difficult and may even appear esoteric, and they do not necessarily form a cohesive argument, being more like a collection of images and insights.

Realism as *direct contact* is a fundamental metaphysical category. It means to be in touch with what is real, to be connected, either as a unit (like a bond) or in dialogue (like a dance). Contact represents an overall orientation toward life and is a key to emotional

health. Full contact means presence, being fully present in the world. In the authentic leadership life, you are fully present to yourself, recognizing that all the world exists *now*, only at this precise moment. All of the past exists now, closed, as memory; all of the future exists now, open, as anticipation and freedom of action. The entire universe is related to you and you to it. You are truly a child of the universe. All of your unconscious exists now, but it is hidden. To be fully present is to have all that material available to you, each aspect in its unique way. (Many of these themes, touched on before, are intimately connected to physical health and longevity. They are the themes in psychotherapy where philosophy and psychiatry intersect.)

Direct contact occurs in the three “worlds” described by the German psychoanalyst and philosopher Ludwig Binswanger. They are (1) the *Eigenwelt*, our private world, in which we struggle with our existential boundary situations (God, death, immortality, guilt, anxiety, isolation, freedom, and so forth); (2) the *Mitwelt*, the world of intimacy (what the philosopher Martin Buber [1970] called the I-Thou connection); and (3) the *Umwelt*, society and nature around us. In each of these worlds, the orientation of consciousness is radically different.

Reality is a philosophical concept under the scholarly rubric of metaphysics. The question is always, What is the nature of reality? Much pain and conflict stem from discrepancies between different senses of reality. Islamic fundamentalists and free-thinking, libertarian atheists see different realities in one and the same world. Culture clashes and culture shock are part of the reality you must acknowledge if you are to be truly pragmatic.

There are many levels of reality and many different types of things that are real. You must acknowledge each of them and make your peace with them, for, being real, they are often stronger than you. The many phenomena that are real fit into the following categories or types:

- Nature
- Society
- Your business or profession
- Other selves, who can validate you, open themselves up to you, or deny you

- Your body
- Your own inner self
- The realm of values (which, according to Plato and others, exists independently of you but nevertheless makes a claim on you)

Each of these classes of events or entities has its own unique reality, and you must cope with all of them. In their own way, they are immovable.

A word about other selves: realism means to be aware of how the other person thinks, how others perceive you. That is often much more difficult to bring about than it may appear to be. It is important, for example, to understand how others are affected by the very system in which we live.

A further point about the reality in which we find ourselves: there is the theory, which has serious political ramifications, that poverty is a metaphysical category. This is the belief that individuals are not personally responsible for being poor but are oppressed, specifically by Western ideologies, which, these theorists maintain, necessitate the permanent existence of an underclass in order for capitalist economies to be successful.

This point is then carried farther: at an even deeper level, there is the theory that, in order for one thing to *be* another thing must *not be*; that for the class of A to *exist* there must also be members of a class called non-A, who, as it were, *do not exist*. In other words, definitions involve affirming one thing by denying or negating another. This is known as the rule that “determination is negation.” Even the word *define* (de-fine) implies setting limits. This kind of philosophy, right or wrong, finds considerable resonance in the Third World and forms the foundation of the thinking of many modern-day terrorist groups. It speaks to nations that feel they are permanently oppressed by the *thinking* of the rest of the world, not by the *actions* that they themselves (or even others) either take or do not take. In fact, it is likely that over two-thirds of the world’s population has, at one time or another, responded favorably to such ideology. Whatever action they do take will be futile in their eyes, because the world system will neutralize their efforts. To understand and assimilate this point is another proof of realism. Greatness in realism is to understand how such a “necessary and

inevitable outsider” feels and to know what to do about it. Frantz Fanon’s classic book, *The Wretched of the Earth* (1965), exemplifies the political power of this way of thinking. Many people are or have been outsiders: lepers, Jews, AIDS victims, homosexuals, criminals, prostitutes, the mentally ill, blacks, foreigners, Catholics, the Irish, the Italians, the Puritans, socialists, and so forth. Systems (in order to exist), the mind (in order to think), the senses (in order to perceive) may require the metaphysical structure of “contaminated” outsiders, of an outside that must be rejected so as to establish the insiders’ sense of identity. It may matter little whether such a theory accurately reflects reality. What matters more is that people feel discriminated against on this basis; they feel it is no fault of their own that causes their excruciating pain. To know that such a situation exists, one that is both unfair and explosive, and to be prepared to deal with it effectively and sensitively—these are the marks of the realistic leader. We may call this condition “the syndrome of the necessary outsider.” Realism is to understand how an outsider perceives you, the insider.

A word about the body: contact must occur with each one of the three worlds. Thus *contact* means to be in touch with your body, to know that you live in your body and that you *are* a body (or, better still, a bodymind), that you contact the world through your bodymind. This concept is useful therapeutically, for this kind of felt contact with your body can be a path to higher emotional and physical health.

Direct contact, then, implies that you share your full presence with another person. You are fully present to another person because you are fully present to yourself. This is the meaning of human contact.

Contact means that you are fully conscious of your personal situation. In a leader’s life, family involvement and personal relationships play a critical role in his or her contact with the real world, for these are an important part of the real world. They may offer support and solace or may present obstacles and interferences. They may be sources of great joy or occasions for bitter conflict. But whatever they are, they are realities with which leaders must cope and on whose influence they depend.

You must understand your organizational culture. It takes time to experience it, and it requires interpreters to explain it. It frequently takes stamina to survive in it.

Other fundamental aspects of the strategy of realism in the leadership mind are contact with life's boundary situations, or limits. These refer to the human condition. Merely by virtue of being human, you are immersed in anxiety and guilt, surrounded with death and isolation, condemned to be free and to make choices. Self-doubt is a natural human state, and all of us have exalted as well as despised self-images. How in touch are you with these realities as you go through your daily leadership challenges?

There is also contact with ethnic boundaries—characteristics of your deeper cultural heritage, not necessarily part of the human condition in general. Most people in the West have roots in Greek civilization and in the Judeo-Christian religious traditions. Others may have Buddhist, Hindu, Muslim, and other identifications. But everyone is in contact with his or her own local history. You may be Irish or Egyptian, Scottish or Nigerian, French or Mexican, Australian or Navajo. All these factors are part of your reality. They help fashion you, organize your worldview for you, set your values, define your view of human nature, and determine your views of life after death.

The most obvious limit with which you are in contact is the hard and impenetrable barrier that is reality, a wall that confronts every executive daily: frustration. It could be the weather, like a drought to a farmer; it could be politics, like a lost election to a candidate; it could be the obstinacy of a willful boss or employees. And it is uncontrollable market forces and demographic movements. There is also lack of clarity and absence of precision. Directives are unclear or irrelevant; instructions are imprecise and confusing.

What is more real than money, especially when you don't have any, when you can't eat, can't make it to the end of the month, when your car or house is repossessed? What about credit? You can't get a loan; then you know that money is the ultimate reality, the ultimate limit to your freedom of operation. At least it is in a free-market economy. The reality-focused leadership mind understands these boundaries and is always prepared, always acts accordingly, always is conscious of these impenetrable barriers. These are not only personal matters but corporate and national realities as well. Nations have debts, and these limitations can crush them.

These frustrations and ambiguities are not temporary conditions but eternal verities, nor are they unhealthy, for the human

organism thrives under a robust struggle with reality. To complain or be depressed is an inappropriate response. The leader exists in a realm beyond frustration, where reality is transformed from adversary to ally, where mistakes are simply ways of learning, as long as the same ones are not repeated. Leadership always exists in conditions of ambiguity and polarization. In a sense, conflicts are never settled, for the resolution of one makes room for the appearance of others. As Tom Peters, the erstwhile management guru, has put it, to be a leader is to thrive on chaos.

In brief, realism means to be in contact, not only with economic and organizational matters, which are relatively easy to assess, but with oneself and others. Here is where realism and ethics overlap, for to be realistic about oneself and others is to be sensitive to people—to be ethical.

How well do you know yourself? How objective, really, are you about yourself? How rational is your assessment of yourself? How well do you understand what others think of you, how they perceive you, how you come across to them, what emotions and thoughts you trigger in them, what they say behind your back? The reality a leader confronts is his or her personality structure. Would it be of value to learn to assess yourself with psychological or psychiatric professionalism? How does your stress compare to that of others? Your compulsiveness? Your self-respect? Your rigidity? Your fear of authority? Your ability to deal with sexual matters? Are you a workaholic? How well do you assess others? Are you seduced by their words? Are you deceived by their manipulations of their own images? Do you think of them what they tell you to think? Do you accept their explanations of themselves? Do you think of them what they want you to think? Or do you have the skill to see them as they really are? Can you predict their behavior under stress or in very private circumstances? Can you fathom their true intentions, even those unknown to them? Can you plumb their secret thoughts? Do you see others with compassion? With detachment? With projections of your own issues? Which is it? Which should it be? In short, how in touch are you with your own reality as a human being and with the human reality of others?

You must understand the statements that people make with their bodies, not only in how they act (walk, sit, hold themselves) or in their general health but in the care they have taken of their



bodies. There are no hard-and-fast rules, and it is important never to be unfair to any person. Nevertheless, every human being makes a statement with his or her body. A body is a text that can be deciphered. One's body holds the record of a lifetime of decisions. That body statement must be read, even though the analysis may be tentative, in order to help one know the truth about people. But such an examination must be undertaken in an atmosphere of great caution, flexibility, and openness, of deep helpfulness and compassion, never with a view to manipulation or exploitation.

Are your hopes and dreams merely illusions? Not if you see them as heuristic, that is, as guides, directions, tendencies, trends. What matters is that they should have a direct line of connection with the reality of your here-and-now. We all have myths we live by. When you are in trouble (have symptoms), your myth is no longer serviceable. You then need a new myth.

The ultimate courageous leadership life is free of all myths. Leadership Diamond theory calls that phenomenon *contact* and *presence*. Contact means to experience the reality of intimate others, of society, and of nature. Presence means to be in touch with one's feelings, hopes, and fears. That is to be in touch, and that is the philosophic level of reality as a leadership strategy.

Typical leaders in business, government, and the professions are strongest in the reality strategy. Here they tend to be more powerful than in the others. Also expanding their minds in the other three strategic directions can promote new heights for them in leadership breakthroughs.

Realism means to avoid self-deception. Freud discovered that human beings operate from unconscious motives. We deny what we think and feel. We tell ourselves stories to cover up what is real. We use numerous techniques of self-deception: denial, displacement, projection, dissociation, doubting, and numbing. Psychoanalysis is the art of living a life without illusions. In fact, a typical definition of psychiatric morbidity, fully supporting the equivalence of health with realism (for mental illness is lack of contact with the real world), is as follows: *psychiatric illness consists of behaviors, emotions, and cognitions that are maladaptive to reality and disruptive of interpersonal bonds and that derive from and result in the creation of an alternative reality, pathologically characterized by isolation or withdrawal, identity disruptions, functional impairment, loss of meaning, hopelessness, and*

*helplessness*. This definition states clearly that mental health is a function of how well one is connected with reality.

The leader resorts to continuous reality testing, and that means to adopt an experimental attitude. It means to see failure as the best teacher, the necessary learning tool.

In sum, realism is a generic approach to life. The key words for describing it are *direct contact*. The ability to have direct contact is an unfailing sign of mental health. The question is, Contact with what? Of course, the true answer is, Everything. From a practical point of view, however, direct contact means contact with consensual reality—the social world. To understand what the culture demands is realism. It is important to function effectively among the cultures and subcultures within which one finds oneself. Direct contact also means to be in touch with one's body, to be aware of the effects of proper exercise and nutrition, to be conscious of one's physical health and sensuality. Direct contact with intimate others, with values, with nature, is included in the other strategies.

The key to living without illusions is to see yourself and your culture through the eyes of other people and other cultures. That skill, and your unwavering dedication to it, is the final realism.

The authentic leadership mind is intimately in touch with all these elements of the tactics of reality. Two reality issues, entirely different from each other, are sales and the career-home conflict. They are practical applications of the tactics supporting the dominant leadership strategy of reality. To these we now turn.

## Leadership and Sales

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You do not sell leadership to people. You help them buy it. People want to be leaders; they need to have leadership minds. Any major purchase requires vision and courage, to say the least, and leadership—perhaps the greatest purchase of all—is certainly no exception. Helping people buy leadership in their affairs is what authentic business is all about.

Because, on the basis of the theory presented here, all business transactions include the teaching of leadership, you can help people buy leadership by recognizing one simple fact: many, perhaps all, products contain a certain amount of information. Many prod-

ucts are specifically knowledge products. A newspaper contains information, a book contains information, a videotape contains information. A medical examination contains and yields information, and so does a dental procedure. Some other products, on analysis, show themselves to contain what can legitimately be called information. For example, information about comfortable sitting is built into a rocking chair; using it, one receives that information. One's enjoyment of the chair is in the transmittal of information (or knowledge) to you from both designer and carpenter. A product has information built in, and that information can be extracted or retrieved. One country seizes a missile or a fighter airplane from another in order to abstract from it the information built by the engineers of their potential adversary. A typewriter contains information on how to print letters. An automobile contains information on combustion, braking, reading speeds, making turns. Clever technicians, by carefully studying a product, can winnow that information from it. The information that matters to us here is information about leadership.

The ground rule is that all authentic products (including services) must contain within them at least one element or module of leadership information. Thus, whatever else you sell, you are also selling leadership help to your customers. This is a fundamental principle of ethical and successful business transactions. To sell real estate is to teach leadership in owning a home and in investing. To offer banking services is to teach leadership in money management. To sell a car is to teach leadership in transportation management.

In short, authentic selling means helping people, through the products you offer, learn (be helped to buy) leadership greatness. A salesperson must always be conscious of one fact: he or she is helping the customer develop leadership in the one particular area covered by the product. The transaction is successful to the extent that the parties are conscious of the basic strategies of leadership involved, from the commitment to greatness to the elements of vision, realism, ethics, and courage. A salesperson must always ask, "How can the product help my customer or client think big, increase contact with reality, be more sensitive to people, and stimulate the courage for initiative? How are these virtues related to the general effectiveness, the greatness, of my customer?" These views may seem contrived, but they introduce both authenticity

and success into the fundamental business transactions of buying and selling.

Good salespersons sell only authentic products, at fair prices, and they familiarize themselves with all the types of leadership information implicit in them. How will your customer be helped toward a personal vision of greatness? How will the product help your customer think big? How will the product help your customer see things in perspective? How will the product help him or her cope with the tough realities of life? How will the product assist the customer in serving others and expressing care for people? Finally, do you challenge your customer to the courage for greatness that this product makes possible? Does your customer have the capacity to initiate action so that his or her life will indeed be more worthy through this product? All selling or buying involves an action (known as the close), and that is always an act of courage. To lead is to help others be courageous in their own lives. These may be extraordinary demands and excessive claims, but, adapted to the circumstances of your product and to the level of development of your customers, these considerations can be effective and serviceable approaches to one of the most difficult tasks faced in business.

Remember this: to sell authentically is to challenge customers to their own sense of greatness. In the end, all people want to challenge themselves and need not be challenged by others, for the customer wants to buy. The customer wants to buy leadership. The customer neither wants nor needs to be sold anything. What makes a transaction successful, in all the senses of that word, is that it is a realistic, meaningful, imaginative, and ethical transfer and assumption of leadership.

## Family Versus Work

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One of the most painful realities facing executives is the conflict among work, home, and self. It is reflected mostly in the balance between family and work. The Oracle exercise has yielded many questions on this issue:

### *Oracle Questions*

How can professional and domestic life be unified?

How do I know the proper balance of my responsibilities as a husband, parent, and professional?

Work has been the most influential controller of my life for over twenty years, sometimes at a cost to my individual and home life. How can I achieve a holistic balance on self, home, and work while concurrently improving my leadership and effectiveness at work?

Very early in my business career, before starting to work for this company, I went to a retreat for renewal, both spiritually and materially. At the completion of the retreat, I established my life's priorities as (1) my God, (2) my family, and (3) my job. Every decision made since that time has been based on these priorities. Lately, with the downsizing of the company and the increasing work load, my job has required more and more of my time. It is becoming more difficult to meet the obligations of my number two priority, my family, and this creates conflict within me. Further, I have become more aware of my age and, therefore, more concerned about job security, which results in my becoming more of a risk averter than a risk taker. I must resolve this conflict within me because the conflict takes energy away from both my family and my job—I always find time for priority number one, my God. This conflict reduces my effectiveness in handling family-related affairs and job-related affairs. What advice do you offer that would help me reduce or eliminate this daily conflict?

My early life was cataclysmic in many ways. Tragedies occurred. Out of this, I became “successful” in my social community, my family, my job environment, and personally (individually and financially rewarding, plus promotions). However, I yearn for a better way to live. This is because I do not feel that I am dedicating myself adequately to my three primary engagements: (1) my family, (2) my work (job), and (3) me. Since there are only twenty-four hours in a day, I cannot spend more time with one engagement without reducing time with the other two. My question is: Shall I live with a “balanced” life, dedicating myself to all *three* engagements (and probably not being *really* successful in any of the three in terms of greatness, even with a transformational “snap”), or shall I pick one or two of the three and dedicate myself to them, abandoning the other? It seems

strange to me that I could be greatest by abandoning one or two engagements, but I would be sad and heartbroken, perhaps. I struggle with this every day of my life.

Many people have worked this issue out, and they feel little conflict. But for many others, it is the central problem of their personal reality. The needs of one's personal life are intensely important. Most people with families would say that their families are the most important commitment in their lives. Nevertheless, their work may falter and the competition may prevail if their work is neglected as a result of their living with an uncooperative family. Difficult as this is to say, from the point of view of the organization, work must come first.

Work is, for most people, a source of identity, not to mention of financial security. Their self-respect and self-esteem, their sense of honor and worth, depend in large part on accomplishments in their careers. Through their work, they become models to their children, they reward their parents, and they earn the respect of their spouses.

A career provides not only financial security but also emotional security. Managed properly, it produces these values not only for the executive but for the entire family. A child's illness or homework is a family concern. So is a woman's pregnancy. So is an executive's out-of-town conference, or a drop in the company's stock price.

The home culture, then, must clearly understand the importance of work for the business's competitive advantage (that is, survival) as much as the corporate culture must understand the importance of the family and of employees' private lives. The answers to conflicts lie in dialogue and clarity more than in rules or policies. Unless married partners can generously and compassionately (that is, maturely) support each other in this dilemma, there can be neither marriage nor career. Together, companies and families must choose to assume full responsibility for managing—intelligently, sensitively, and, above all, realistically—damaging family-career conflicts.

The interrelationship of work and family has become an even more important issue as a result of the events of 9/11. Sue Shel-

lenbarger of the *Wall Street Journal*, who wrote regularly about work and family issues, believes that Americans are “setting off in some new directions.” She identified the following trends at the beginning of 2002:

The coming year will bring deepening work-life conflict for millions, as workers’ post–Sept. 11 reordering of priorities clashes with a recession-induced speed-up at work.

[A] far-reaching shift in values . . . stressing family, friends and community over career, status and money, will continue to play out. . . .

“Sept. 11 has caused a remarkable number of people across the country to call a time-out for themselves, and ask two questions: What’s really important to me? And, why am I here?” says Gil Gordon, a Monmouth Junction, N.J., consultant. . . .

The upside for employers: Workers’ new seriousness will render them more receptive to lofty corporate mission statements and more motivated to be efficient, jettisoning busywork. . . . The flipside: Employees will have less patience with foggy or misguided leadership. And they’ll be quicker to resist outsized post-layoff workloads. . . .

- More men will chart new career paths that allow time for fatherhood. . . . [T]hese involved dads will gradually replace old, inaccurate Mr. Mom stereotypes with a broader definition of masculinity.
- The Jetsons will be ever more with us, as working families stretch the envelope using high-tech gear to stay connected.
- Learning will become a full-fledged life role, competing with work, family and personal pursuits for a spot on jugglers’ agenda. [Shellenbarger, 2002, p. B1]

## CHAPTER 5

# Ethics

## Providing Service

The formula statement for ethics is “Be of service.” “Generosity is the best policy” is a good summation of the meaning of ethics. In practice, this can mean, for example, the simple matter of willingly sharing the blame for failures, especially when coupled with the pre-eminence of team spirit. An example of *poor practice* is that, in one American firm, a creative scientist was punished for being oriented more toward product integrity than toward costs. True, as a result of his orientation, the company did experience a drop in its stock price. But the blame was leveled firmly at the creative scientist, not at the CEO, even though the CEO is accountable for the entire firm.

Being of service also means seeing things from another person’s point of view. It means having the ability to put yourself into the mind of another person. It is also having the desire to do so, to find meaning and value in your interest and concern for another human being. Such is the definition of *care*.

From the level of a deeper philosophical point of view, we must be aware that a human being, until witnessed by another person, does not know he or she exists. This phenomenon is known as validation. You do not know that you exist until you are reflected in a mirror, and the only mirror to a soul is another soul.

In some organizations, there is fear that recognition will cause employees to stop working. The motto in such industries is “More is not enough.” That kind of pressure is fit for mechanical devices, not for human beings, and there is no redemption for such insensitivity.



Ethics in leadership means mentoring. Rather than developing people for the sake of jobs, it is wiser to develop jobs for the sake of people. This statement may seem excessive, for companies must make a profit, but profit comes when people find meaning in their work. Steven S. Reinemund, CEO of PepsiCo and honored by *BusinessWeek* as one of the outstanding business leaders of 2001, says this in another way: “To have growth in products, you have to have growth in your people” (*BusinessWeek*, January 14, 2002). One famous computer company used to hire outstanding people, not because there were jobs for them but because they were excellent resources. Only when they were already on board were they asked to find or create work for themselves. The assumption was that good leaders would take personal responsibility to be good for a company, no matter what circumstances prevailed in the business at the time. That may be difficult (and is certainly not management by objectives), but it can elicit the best from employees and managers to the eventual benefit of the entire organization.

Mentoring means that a leader is a teacher. A leader’s obligation is to develop the people for whom he or she is responsible—to help them become more marketable, more qualified professionals, to further their careers, to help them feel better about themselves, to equip them to confront the toughest vicissitudes of life. Mentors are like loving parents who feel fully responsible for developing the independence of their children. This kind of teaching is based on a high degree of loyalty and commitment to the individual employee, as well as on the recognition that human beings are not expendable. Employees can also be expected to adopt a similar attitude of dedication to the organizations for which they work.

## Elements of the Tactics

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### Teamwork and Loyalty to Task Forces

The professional tactic of ethics is teamwork. That is a critical success factor and is discussed in detail at the end of this chapter.

### Meaning

Each human being needs a vocation, a calling. Ethics in leadership means having a passion for meanings. To be ethical is to under-

stand that a life not devoted to superordinate goals is of little value. It is to understand our need to make a commitment to people, organizations, meanings, and ideals that survive us. It is to have feelings, as well as obligations to establish a moral world order. As Dostoevsky said, neither man nor nation can exist without a sublime idea. Every person needs something to which he or she can make a commitment. That is part of meaning. A life not devoted to a cause that extends beyond its own narrow limits will end in depression.

Companies often look for ways to stimulate their employees to meaning. Sometimes these efforts are profound, when the meaning issues are matters of high integrity, including the commitments to quality and customer focus. Sometimes they are superficial, more like a circus or a sports event, such as a sales contest in which the reward for selling life insurance is not to gain the satisfaction of helping a family in its quest for security but rather to win a trip to Hawaii. Like sports, these meaning-creating episodes may be quite ephemeral. Sales spurt as a result, but the effects often do not last. Nevertheless, such efforts touch our ancient need to belong to something larger and more worthy than we ourselves are—something that, like a noble river, flows from a distant past and will endure far into the future.

As an example of connecting productivity with meaning, consider the story of McDonnell Douglas Corporation (MDC) and the C-17 Globemaster III cargo plane, described today by the U.S. Air Force as “the newest, most flexible cargo aircraft to enter the airlift force.” When construction on the planes began, the company faced serious challenges, largely because the workers at the commercial aircraft facility in which the planes were built were unaccustomed to rigorous military requirements. Although planes were built and delivered, they were delivered late and suffered from both defects and cost overruns (Carter, 2000). “In 1992 and 1993, we were in serious trouble on the C-17 Program,” says Debbie Collard, director of continuous quality improvement for Boeing’s Airlift and Tanker Programs in Long Beach, California, where the C-17 is built.

The customer didn’t believe in us, there were adversarial relationships with the customer, with suppliers, with the unions—there were bad things happening all over the place. We were told by the customer, the Department of Defense, that it had 120 possible aircraft

on order, but there were only 40 in the initial contract and that we wouldn't get any more than that unless we shaped up. So all around the plant, we put these big banners up that said "40 and No More Unless MDC Performs." [Carter, 2000, p. 14]

In response to the challenge, McDonnell Douglas put in place a wide-ranging quality control system based in part on the Baldrige National Quality Program and aimed at making the company "the world's first choice for airlift and tanker aircraft." Improvements soon followed, but more were yet to come.

The company pushed for greater levels of internal improvement, guided by inspections and feedback from . . . Baldrige examiners . . . and from its own people. . . . The effects of these initiatives, says Collard, eventually became evident throughout the plant. "It didn't matter at what level you worked," she says. "You knew how your goal contributed to where the organization was going." [Carter, 2000]

Ultimately, McDonnell Douglas won not only a new contract to build more C-17s but, in 1998, a Malcolm Baldrige National Quality Award for manufacturing performance excellence. The company estimates that per-employee productivity increased from \$200,000 in 1994 to more than \$327,000 in 1999. "When we started concentrating on getting things done in a quality manner," says Collard, "the trend has been amazing. . . . Our employees believe in these priorities" (Carter, 2000).

It is amazing how many successful executives yearn for meaning. They have solved the problem of existence for themselves by following the rules of society (education, career, marriage, children, home, recreation, summer home, church, health insurance, children's education, retirement) and are greatly to be complimented for that. But, by their own admission, this is not enough. Life is an insatiable passion for aliveness, and that is not to be satisfied with the conservative search for security, even though security is an authentic value.

Many people have been touched by the following poem, written by a much-admired top executive, an attorney with a large mid-western chemical company. He opened a locked drawer to take out his poetry. He explained that if his colleagues and subordinates were to discover that he wrote poetry, he would lose credibility in this tough-minded and hierarchical organization.

*One More Step*

Where are the friends I knew in Youth? Where are they now  
 that I have time to talk, and joke, and “run around,” as  
 they once did in those days long ago when I was  
 busy growing up and had not time for such  
 foolishness?

Where is the love once offered me? Where is it now that I  
 have time to stroll in breaking surf on moonlit nights  
 or through quiet woods, as they were wont to do in  
 those days, now gone, when I was young and  
 working hard to earn a name and some  
 small measure of security?

Where is the prize once promised me for years of self-denial  
 in the cause of building for a future when I could share  
 such hard-won spoils with those I love? Where are they  
 now that I am ready to open my arms? I see them not.  
 Is it because my eye has grown too weak to see? Or  
 could it be that, like the Friends of Youth or the  
 Days of Spring, they could not wait for me?

Where is the hope I once did know? The hope for a better  
 tomorrow that has now dissolved into regrets for wasted  
 yesterdays full of unshared dreams, and unfulfilled  
 passions deferred to another day—which, when  
 it came, was itself postponed for unknown  
 cause?

So I, absent friends, love, rewards, and hopes am left with  
 habit. To try to go on when my heart is full of the pain  
 of my own making. I know of no other course but  
 to stay with a life-long pattern of “plowing on,”  
 carrying whatever load Fate may assign in the  
 ever-shrinking belief that somehow it will  
 all work out satisfactorily in the end.

But where are my dreams?

This executive is not atypical. Among the most common questions found in the Oracle exercise are problems with meaning. Here are several examples:

### *Oracle Questions*

In many ways, I have led a life that supported the needs of others: parents, spouse, children, relatives, friends, and colleagues—and that has given me very profound fulfillment. It has also motivated me in achieving a degree of material success that has reasonably satisfied my need for self-respect. Now, as I enter what is, at best, the last quarter of my life, I feel these things as generally accomplished and it seems as if I desire something different (what?) to satisfy—and yet I feel guilt because those things that satisfied me up to now are good and meritorious. How do I find my way?

I am pleased with my career to date and I have a *very* happy marriage, with children who are easy to be proud of. Yet I have not made a mark on the world. I have a deep need to accomplish greater goals, both in career and personal life. I feel capable of progress in both but feel blocked for some reason. What can I do to remove the block to greater satisfaction?

I am fortunate to have achieved business success and family strength. Despite my success, I find myself inwardly doubting the strength and quality of business and family relations, and I regularly seek and require positive feedback and reinforcement from business colleagues and family members. How can I overcome these self-doubts and need for reinforcement so that I can achieve my full leadership potential in both the business and family environment?

All my life, I have driven myself to do my best to achieve goals. Now that I am near retirement, my family is grown, materialistic goals near achievement, and so on. How can the wife and I find fulfillment in the remaining years of our lives?

Ultimately, having ethics in leadership means having a sense of destiny—the desire for a legacy, interest in an immortality project.

It is also important to take seriously the issue of deathlessness, or immortality. This is where greatness comes in, for one of its definitions is to stand up to death and evil. To find the meaning of life, of which meaningful work is but a derivative, can also be to have an answer to the anxiety of death.

Questions of meaning are difficult to answer. In fact, to seek solutions may be to bark up the wrong tree. In philosophy, asking the right questions is often what matters. Answers can stop questions, and it is the latter that stimulate the mind to grow. But when such concerns are ventilated in a group (or in any other type of human relationship) and then connected with the stream of human history, an atmosphere of profound validation is created that, for many executives, is a brand-new and exhilarating experience. To know that my questions are also yours and that, throughout the ages, other human beings have struggled with the same concerns: support, confirmation, the euphoria of resolution, the peace of fulfillment.

## Communication and Caring

Tim Sanders, chief solutions officer of the Internet pioneer Yahoo, writes that “we need . . . a definition of love in our *professional* lives.” He continues:

Here’s mine: Love is the act of intelligently and sensibly sharing your knowledge, networks, and compassion with your business partners. The secret to being a high-impact leader and the essence of individual and corporate success: Learn as much as you can as quickly as you can and share your knowledge aggressively; expand your network of people who share your values and connect as many of them with each other as possible; and, perhaps most important, be as openly human as you can be and find the courage to express genuine emotion in the harried, pressure-filled world of work. [Sanders, 2002, p. 66]

Do not underestimate the power of love, perhaps the greatest known energy. We all recognize the importance of love in life—how we need it to be happy, to grow, even to be healthy. But, regrettably, many people feel it has no place in business. Love means that you really care about people, whether you are a mother or a general. To love is to communicate intimately in the sense of establishing an intersubjective field—a joint ego or communal self.

Love establishes a higher unity, a spiritual connection, an emotional bond.

Even in business people need to be heard; they need to be understood. We all hunger for emotional safety; for example, we appreciate the value of a support group. Some leaders fear that asking for support may tarnish their executive self-image. Seek out friends and allies. Recognize that there are people who want to support you and can do it well. Ask freely.

Love means making contact with another person or a group; that is closeness, intimacy. It is a special feeling, a special truth not necessarily tied to the revelation of personal secrets. Contact is, in essence, a reality tactic. But here, in the strategy of ethics, contact is with the heart and soul of another person.

The formula for effective leadership through love is presence and contact. This means that you must first develop your heart and then show your heart to your people. Many CEOs are high-quality individuals but have never shown that adequately to themselves or to their people. They may engage management-consulting firms or public relations specialists while they shy away from visibly leading the charge. But leaders' ultimate influence, their leadership clout, their credibility, lies in revealing themselves as they are. Certain requirements, of course, must first be met. Leaders must understand the business and have the skill, knowledge, and experience to manage, but they must also have a high level of personal maturity and, as Plato insisted, they must possess wisdom. That means depth. Without it, they do not deserve the responsibility and trust invested in them. Further, they must be prepared to reveal that depth. Executives who do not heed these words often live to regret it, and so do their companies.

Mayor Rudy Giuliani of New York City offers a perfect example. In proclaiming Giuliani its "Person of the Year" for 2001, *Time* magazine asked, "Tough and smart, sure. But who knew about Rudy's big heart?" According to *Time's* account:

[Giuliani] arrived at the World Trade Center just after the second plane hit, watched human beings drop from the sky and—when the south tower imploded—nearly got trapped inside his makeshift command center near the site. Then he led a battered platoon of city officials, reporters and civilians north through the blizzard of ash and

smoke . . . to a firehouse so the mayor could revive his government there. Giuliani took to the airwaves to calm and reassure his people, made a few hundred rapid-fire decisions about the security and rescue operations, toured hospitals to comfort the families of the missing and made four more visits to the apocalyptic attack scene. . . .

With the President out of sight for most of that day, Giuliani became the voice of America. Every time he spoke, millions of people felt a little better. His words were full of grief and iron, inspiring New York to inspire the nation. . . .

[He] became America's homeland-security boss . . . the gutsy decision maker . . . the crisis manager. . . . And he was the consoler in chief, strong enough to let his voice brim with pain, compassion and love. When he said "the number of casualties will be more than any of us can bear," he showed a side of himself most people had never seen.

Giuliani's performance ensures that he will be remembered as the greatest mayor in the city's history. [Pooley, 2001]

Giuliani, who was near the end of his second term as mayor, had been known as a tough guy who governed by hammering everyone else into submission. Especially within minority communities, his job-approval rating was low.

In the end it was Giuliani's performance on and after Sept. 11 that [demonstrated] once and for all how much he cared about New Yorkers, even if he had not always been able to show it. After Sept. 11, a good many Rudy watchers assumed he had changed . . . but Giuliani's friends and aides say his warm side has always been there. Outsiders just couldn't see it. [Pooley, 2001]

The CEO of a well-known and large international company presents a contrast to this story of self-revelation. The company went through the paroxysms of a violent reorganization. Divisions were closed, functions were eliminated, and people were fired. The CEO, although he made the decision, nevertheless found it deeply painful. He bit the bullet. He showed no mercy, although in his heart he bled. Then, with the new fiscal year, he hired a consulting firm to build up the sagging morale of those who were left. What he failed to do was appreciate his own sense of morality, his own deep feelings, his own genuine emotions—and then show this



best part of himself to his people, let them know how he felt, share his inner conflicts, be human. The result was heaping alienation on alienation. The company was sold, and the CEO was fired.

The solution to many a CEO's concern with credibility and influence—the need to reach his or her people—lies right here. Establish contact. Connect who you are with who they are. This cannot be done without a clear understanding of the philosophical level of the reality strategy, which is the so-called level of direct contact. But when contact is with a soul, rather than with the jungle (and we are in the strategy of ethics, not realism), we call it an *encounter*. This is a special and different kind of contact. It goes beyond the mechanical and the material. It involves heart and soul. It relates subjectivity to subjectivity. It is a hard fact that effective management must understand the soft center in every person. The true leader cares hard. Challenging this expanded and humanized leadership consciousness into being—among all concerned, from CEOs to new hires—is the foundation of modern business thinking.

### **Integrity, Morality, and Principle**

The deepest tactic of the dominant leadership strategy of ethics is principle, the integrity of your value system. Ethics means that your organization is differentiated by its values. It is your serious commitment to them that makes you and your organization strong. You and your organization need to have ideals, a sense of destiny, to know the value of greatness. It is their undeviating commitment to values that makes companies great.

What, precisely, *is* ethics at this, its deepest level? It is integrity, morality, and principle. In business, unlike in academic philosophy, this is the common meaning of the term *ethics*. Ethics, as integrity, morality, and principle, can be defined by reference to the concepts of equality, dignity, truthfulness, and liberty. Ethics and integrity mean a free commitment to justice and equality, to fairness. This aspect of being ethical often requires one to choose self-sacrifice willingly. Ethics and integrity mean a commitment to the preservation of human dignity. All human beings are created equal and should be guaranteed equal opportunity; that is justice. Yet each individual is nevertheless the center of his or her universe; that is dignity. If the lights go out of the center, they also go out for

the rest of creation. All the world relates to one individual, and, correlatively, that one individual relates to all the world. As far as you are concerned, my world is part of your world; you will never know anything but your world. This sense of specialness, which exists for every person, must be respected and preserved. Because you experience yourself to be the center, not only of your world but (from the point of view of direct experience) of the whole world, you are indeed something unique and very special. From this hard-to-describe fact of universal human experience follows the concept of human dignity, of the infinite value of a single human being.

Integrity means a commitment to openness, truthfulness, and transparency, which leads to trust. An open life is a simple life; you never need to remember the lies you have told or bother to hide. Being open may be difficult at times, but overall it is the easiest life of all. It is the most effective life, the life with the most warmly developed human connections. To be human is to need intimacy, bondedness, connectedness. None of that can be achieved without openness. Two hearts must be revealed to each other, and so must two minds. That transparency is brought about by directness, clarity—in short, openness.

Finally, integrity means valuing and preserving liberty. Civilization journeys toward individualism, valuing the individual, which requires respect for liberty as the supreme virtue. Business, like all other social institutions, must reflect this historical leadership imperative. Happy persons are those who manage to live their lives in their own way. They think for themselves and are in charge of their own existence.

There is a conflict between individualism and teamwork, but conflict is in the nature of existence. One characteristic of the Leadership Diamond, which gives it its shape, is the spaciousness of the leadership mind: the ability, as in an orchestra or a jazz band, to incorporate in one totality a variety of conflicting feelings and ideas. To be a contributing member of a team is to manage this ambiguity, to take full personal responsibility for the successful performance of the team as a whole. That is indeed difficult. But who said leadership was easy? Freedom is one of the great values of civilization. It is institutionalized in democratic political systems. Business must reflect freedom, not only because it is right

but because any valued executive will demand it for his or her personal life.

Why be ethical? People feel more comfortable with each other when they are ethical in the four senses just described. It is a subjectively felt, fulfilling way of being with others. Being ethical encourages the two touchstones of mental health, presence and contact, that is, being fully present to yourself and to others and being fully in contact with your feelings and those of other persons. It simplifies life. It makes life clean.

In short, to have integrity and principles means to have made a choice: to be civilized. Civilized behavior exists only because free men and women have defined the nature of authentic human relationship by choosing ethical behavior, as defined here. You and I, with our free choices for equality, dignity, truthfulness, and liberty, maintain civilized behavior in existence. Through ethical behavior, we define the meaning of a civilized existence, and no one else will do that for us. If you and I neglect it, civilized behavior disappears.

Further, in business, integrity means integrity in products and services. A material product that is technologically rich is also knowledge-rich or information-rich. In addition, it must be ethics-rich. It must not only satisfy material needs but address the needs of the inner side, the feelings, the attitudes—the subjective side. It must not only have material content and knowledge content but also have ethics content. That is the deeper meaning of quality.

Integrity also means nobility. Nobility of character, part of greatness in general, is also an ethical theme. Individual nobility may well be at the human core of all four Leadership Diamond corners. In business, that is all expressed in the commitment to quality: being of service to another human being.

There are additional matters to consider within the tactic of integrity and morality. Ethics is a matter of principle. All members of an organization must understand the larger context, the implications and consequences of what they do. There is no moral protection behind the walls of large companies. When individuals within an organization are not motivated by a sense of personal ethical responsibility for the whole, there will be consequences.

Consider the case of Schering-Plough Corporation, the pharmaceutical manufacturer, which experienced serious quality problems

throughout the 1990s. For example, beginning in 1999, the company was forced to recall 59 million asthma inhalers that had passed quality control tests, despite the fact that some contained little or none of the main active ingredient (Weintraub, 2001; Verschoor, 2001). *BusinessWeek* reported on an audit of the company's Kenilworth, New Jersey, plant:

AAC Consulting Group of Rockville, Md. . . . found that managers felt "a continual push for increased production and decreased downtime sometimes at the expense of high-quality work." AAC also said that Schering supervisors "adopted a wait-and-see attitude, to determine if upper management will 'walk the talk' with respect to long-term commitment to product quality." [Weber, 2001]

The issues here, of course, concern both ethics and business. Safety is a moral issue. No human being has the right to promise safety to another and deliver danger. Workers and managers have no right to be ignorant of the larger implications of their work. Such ignorance is proof of lack of leadership in all ranks, from individual workers to union leaders, from managers and executives to planners who devise manufacturing and installation systems, from customers who pressure manufacturers for on-time and at-price delivery to stockholders who demand highest profits.

As far as business is concerned, problems such as Schering-Plough's can have severe repercussions. After citing Schering-Plough throughout the 1990s for manufacturing violations, the FDA informed the company early in 2000 that Clarinex, a new drug particularly important to the company's fortunes, would not be approved for sale until the violations were corrected. Schering-Plough's stock price, sales, and earnings fell; one analyst said, "We believe the company's manufacturing issues will continue to hinder earnings gains throughout 2001 and into 2002" (Jarvis, 2001).

Ambiguity is a pervasive concern in leadership as in business ethics. Part of that ambiguity arises from your commitment to customer focus. What may seem ethical to the stockholders may not be so for the employees. What appears right for your customer may not be right for your supplier. If you decide that your principal ethical obligation is to your customer, then you must know who your customer is. If you are a salesperson, the question becomes whether your customer is your sales manager or your end

customer, the wholesaler to whom you sell or the wholesaler's retail customer.

Ethics, or wisdom, seen as a dominant leadership strategy, is the commitment to be of service. In Agra, India, near the Taj Mahal, there is a hotel where guests find posted the following quotation from the greatest servant to humanity of the twentieth century, Mohandas Gandhi:

Gandhiji said,  
 A customer is the most important  
 Visitor on our premises.  
 He is not dependent on us,  
 We are dependent on him.  
 He is not an interruption of our work,  
 He is the purpose of it.  
 He is not an outsider to our business,  
 He is a part of it.  
 We are not doing him a favor by  
 Serving him,  
 He is doing us a favor by giving us  
 An opportunity to do so.

While ethics, in the long run, may be good business, to be ethical is to be motivated in a unique way—not by pleasure, fear, inclination, habit, approval, social pressure, or what is prudent; the source of your action is instead the rational fact that it is *right*. You do what you do because it is right. This is not to endorse either dogmatism or fanaticism; it is simply to say that to have character and integrity is to act on the basis of what is morally right (upon which there is often far less dispute than generally thought)—a position called deontology. The greatest ethicists—Socrates, Plato, the Stoics, Spinoza, Kant—have taught us that.

Ethics in leadership, as is true in greatness generally, means that your values give you character. Many celebrated statements of Socrates speak to this point:

- The only way to harm a man is to make him a worse man.
- Virtue is knowledge.
- No harm can come to a good man.

The final strength of every human being is to preserve his or her dignity, integrity, values—to protect the solid core. Your identity is your integrity, not your wealth or your skills, and only that which tarnishes your integrity does any significant harm to you. Your integrity is your decision to abide by the principles of equality, your decision to respect the dignity of all human beings (yours included), your decision to be transparent in your relationships, your decision to respect the liberty of others and of yourself. As long as you live by these decisions, you have integrity. To do harm means to choose no longer to live by these decisions. That is up to you and no one else. No clearer definition of the ethical life than this Socratic one has ever been given.

To try to destroy a person's character is the ultimate evil. Torturing prisoners to make them confess to lies or betray their comrades is a perfidious case in point. "If Mr. Edison had known how his light bulb would be used, he would never have invented it," goes an Amnesty International advertisement displaying a naked light bulb. To rob a person of sleep is to invade his or her soul. That is brainwashing—a brutal crime, condemned by the United Nations as the rape of the mind. That is one of the few ways to corrupt the spirit of a human being. Breaking a person's soul is the final evil.

Besides deontology, there is another definition of ethics. What makes you an ethical person is your worrying about ethical issues—struggling with them, losing sleep over them. That is how we teach young children ethics—not by pontificating to them about what is right and wrong, rewarding them for one and punishing them for the other, but by allowing them to experience the difference between civilized and uncivilized behavior. If Johnny cheats on an examination and no one else does, then that is not an occasion for punishment but rather for class discussion of how all the children feel about the event and what its implications are for themselves and for successful group life.

The Oracle exercise in which executives are asked to formulate anonymously their one deepest leadership concern brings out profound ethical struggles with integrity. Here are a few examples:

*Oracle Questions*

How can I effectively demonstrate leadership in a system that perpetuates human injustices through planning decisions and budget-reduction constraints?

I believe that I've been betrayed by the very system that I've supported, with great personal and professional dedication, for my entire career. How do I (or *should I*) resolve the deepening conflict between my strong inner desires to *contribute*, to *achieve*, to *teach*, to *develop*, and the growing realization that my career will likely fall short of my expectations, due primarily to basic flaws in the system I've helped create, and not in me?

If you know you have been dishonest in your life, how do you restore your integrity?

I believe I have caused a life to be taken. How do I reconcile myself to move on, to have hope, to lead others, with this issue constantly before me?

In many private sessions with executives, one hears statements like these:

- Philosophy does not interest me.
- I never took philosophy in college, mostly business courses.
- I don't know anything about philosophy, and I don't even care to know.

Yet these statements are made in the context of extraordinary ethical searching, exemplified by the following Oracle question:

### *Oracle Question*

I am the top executive in a very large organization. And I live with a deep conflict. There is a fundamental "bad" in business, a pervasive cancer. Business lives in a cutthroat, ruthless, dishonest atmosphere. You do what it takes and care nothing about morality. You are not true to your word. In the end, you cheat, deceive, and lie. Eventually, even the most determined among us must contract this disease. This presents me with a fundamental dilemma: Can you win being "good"? I do not want to take on the characteristics that disturb me in some of my colleagues. I have announced to my board that I will quit if I'm cornered—which means I sense danger to one of two basic things: my family or my values. But the very thought of the dilemma itself upsets me!

Is this true of business alone? Is this conflict not also found in the professions, the arts, education, politics, the military? Would it not be good for this man to add to his ultimatum: “I want you to join me in creating a company where I will never need to make such a decision”? Is this man’s concern with integrity different from that of Socrates, the first ethicist? If not, then how can this executive say that he is not a philosopher? To be a leader is to be condemned to philosophy.

The bottom line, when it comes to principle, is the willingness to die. Sometimes this harsh ethical reality is literally true, but most often it is a powerful metaphor for loss of ego, loss of position, loss of friends or colleagues, loss of money, loss of opportunity. To risk death is to risk oneself, even sacrifice oneself, for the sake of the company or the customer, the partnership or the client—for what is right.

The example of Socrates serves as a fitting conclusion to this discussion. In Plato’s dialogue *Crito* (Jowett and Allen, 1986), Socrates is in jail, having been condemned to death. The laws are just, but the judges (of whom, according to Athenian constitutional procedures, there were about five hundred) are not. Crito, his friend, has arranged for Socrates to escape. But Socrates refuses because he thinks escape unethical. Socrates’ actions are guided by ethical considerations alone, not by such emotions as fear.

The following quotation is an excellent example of integrity, that is, the need to be ethical for ethics’ sake, and not for an ulterior purpose. In this passage, Socrates is describing the laws of Athens as they concern him:

All patriotic citizens will cast an evil eye upon you as a subverter of the laws, and you will confirm in the minds of the judges the justice of their own condemnation of you. For he who is a corrupter of the laws is more than likely to be a corrupter of the young and foolish portion of mankind. Will you then flee from well-ordered cities and virtuous men? And is existence worth having on these terms? Or will you go to them without shame, and talk to them, Socrates? And what will you say to them? What will you say here about virtue and justice and institutions and laws being the best things among men? Would that be decent of you? Surely not. But if you go away from well-governed states to Crito’s friends in Thessaly, where there is great disorder and license, they will be charmed to hear the tale of your escape from



prison, set off with ludicrous particulars of the manner in which you were wrapped in a goat skin or some other disguise, and metamorphosed as the manner is of runaways; but will there be no one to remind you that in your old age you were not ashamed to violate the most sacred laws from a miserable desire of a little more life?

Listen, then, Socrates, to us who have brought you up. Think not of life and children first, and of justice afterwards, but of justice first, that you may be justified before the princes of the world below. For neither will you nor any that belong to you be happier or holier or juster in this life, or happier in another, if you do as Crito bids. Now you depart in innocence, a sufferer and not a doer of evil; a victim, not of the laws but of men. But if you go forth, returning evil for evil, and injury for injury, breaking the covenants and agreements which you have made with us, and wronging those whom you ought least of all to wrong, that is to say, yourself, your friends, your country, and us, we shall be angry with you while you live, and our brethren, the laws in the world below, will receive you as an enemy; for they will know that you have done your best to destroy us. Listen, then, to us and not to Crito. [Jowett and Allen, 1986]

## The Teamwork Basics

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Ethics in leadership is the commitment to make others successful—your boss, your employee, your partner, your colleague, your client, your shareholders. Therefore, ethics means to work as a team. It is to place the needs of the team at the top of the list of your priorities. It is the responsibility of each team member to work for the success of the team, which includes making his or her best personal contribution. The contract with your company is that, in return for pay, you commit yourself, in what is to become your foremost ethical obligation, to meet the needs of the organization. Correlatively, the company has equal responsibilities to its employees or partners. The organization and you have an ethical obligation to each other.

The team satisfies ancient yearnings for community and belonging. The team concept has developed from the tribe, where the individual is submerged, to selfish individualism, where the individual is indulged and unconstrained, to the authentic team, where the individual counts and is respected but is at the same

time responsible for the success of the total venture. Such *individual* accountability for *team* accomplishment requires mature sensitivity and imagination, as well as courage. Teamwork is thus an art, not a science.

The teamwork basics are the conditions that determine whether a team, rather than an individual, thinks and acts with leadership. Each member of the team, as well as the team as a whole, must demonstrate acceptance of these twenty-one principles:

1. Understand that, to be effective, organizations need teamwork.
2. Do not dominate the team. Do not use the team for an “ego trip.”
3. Do not sabotage the team. Intelligent people can be very subtle in how they sabotage. Slavish adherence to *Robert’s Rules of Order*, distracting suggestions, vapid criticism, and a generally negative, unsupportive, unconstructive, self-centered attitude can be enough to make even the most determined team ineffective. Do not use the team to serve your own neurotic purposes. Make the commitment to serve the rational and legitimate purposes of the organization, with which you have, in effect, a reciprocal, businesslike, contractual agreement.
4. Do not hide behind team decisions. That is neither responsible nor courageous.
5. Make your own independent and creative contribution to the team.
6. You must feel that you alone are personally responsible for the success of the entire team. Do not wait for the team to be a team before you join in. Such an attitude is the kiss of death for any team. You do not say to your marriage partner, “I’ll stick around. I’ll wait and see. If the marriage works, I’ll join in. If not, I’ll leave.” That statement itself is the end, and you have caused it. *Ownership* is the key word. Each team member must have a sense of owning the work of the whole team.
7. Understand that teamwork does not succeed unless you clearly make a personal and independent decision to *want* teamwork.
8. Know that your job as team member is to empower your colleagues, to make them successful, to make them powerful—for ethics is service.
9. You must understand the systemic rules that govern group behavior. Group behavior is often not the result of individual de-

cisions but rather of group dynamics, of the group's behaving similarly with different players. To improve a team, you change the system rather than the participants. There are cultural differences, different expectations of efficiency and speed, or of reflection and the mature seasoning of decisions. What is normal for one team is aberrant for another; the rules applying to one team are violated by the rules of another. The sense of time, responsibility, risk, efficiency, politeness, outspokenness—all these vary from culture to culture.

10. As a team leader, you must know how to guide a team, a knowledge acquired partially through learned skills, partially through experience, and partially through the quality human being you are. If you are the team leader, then that is your responsibility. If you are not, then it is your responsibility to expect guidance of your leader, to challenge that individual, to teach him or her, and to enlist your colleagues to do the same.
11. Remember that teams are important but not absolute. People with leadership minds do not do well under regimentation. Some of the greatest achievements of civilization have been accomplished by individuals. Individualism is the great ideal of Western civilization. The emphasis on teamwork promoted by business needs must not blind us to the American Bill of Rights, which protects individuals. And the individual, not the team, is the final unit, the cell, of the social organism. Just because people sit together at a table does not mean they automatically form a team.
12. Remember that teamwork can be very satisfying emotionally, for it responds to an ancient desire to participate in something bigger than each of us is individually. We want to belong to something that existed before us and that will continue after us. We join teams to reawaken this ancient hunger.
13. Understand that most of the time when people think they are a team, they are not. Only when people understand that they are far from being a team do they have a reasonable chance to become a team. Always be alert to the possibility of self-deception.
14. As team members, you must think as one team. Team members feel the cohesion of the group. They do not think that they are doing their work alone. They think, always, that the work is being done communally. "*We* are doing the work." It is not sufficient to say that *I* contribute to the group. *We* are working. *We*

- are accomplishing. And it is *our* work, *our* task, that we are accomplishing. Team members literally adhere to an extension of the motto of the Three Musketeers: all for one and one for all.
15. Understand that teamwork means that the group works on *one* single concept, one shared vision. Team members have, collectively, one answer to the question, What is our task, our function, our job, our business? One concept, one idea, a single goal, one vision activates them. For example, restaurants do not serve food. They serve customers and give them an experience. And if the restaurant is part of a hotel, then the staff is responsible for coordinating the customer's total experience. Similarly, teachers will say not that they teach one subject matter to many students but that they teach many subjects to one student.
  16. As a team member, everyone must understand that the perfection of the team is not the same as the perfection of each individual. Perfection in the system and perfection of its parts may be contradictory propositions. This is an axiom in systems theory. Each member adjusts to the needs of the team. In an individualistic society, to carry out teamwork successfully is extraordinarily difficult and commonly unsatisfactory. The converse is equally important to point out: every member of a team suffers if the team itself is dysfunctional. Thus there is ample individual motivation for cooperating in making teams effective. In short, individuals should be willing to sacrifice their own interests and the interests of their units for what they view as the needs of the whole.
  17. It is the responsibility of each authentic team member—teacher—leader to use the value embedded in something like the Leadership Diamond model to establish successful teamwork. Do it in a great way, and take personal responsibility for approaching the problem of teamwork with vision, with realism—ethically and courageously.
  18. Assess the productivity of your teamwork. One way is through the number and quality of decisions made during your work or meetings (see the sample scale for scoring in Figure 5.1). *Importance* means that some decisions are insignificant, whereas others are exceedingly important. And leaders know the difference. *Acceptability* refers to how palatable a decision is to those affected by it. *Follow-up guarantee* refers to provisions

**Figure 5.1. Sample Scale for Scoring Productivity**

Productivity Measure Productivity = $(I + A + F) \times Q$					
Decision made	Importance	Acceptability	Follow-up guarantee	Quality	Total
#	0 – trivial 1 – average 2 – superior	0 – trivial 1 – average 2 – superior	0 – trivial 1 – average 2 – superior	0 – trivial 1 – average 2 – superior	

made for implementing and monitoring a decision. Every one decision creates a basketful of many new decisions to be made. *Quality* refers to the amount of thought, information, experience, maturity, and consideration of contingencies that goes into the making of a decision.

19. Ensure that meetings end with energy, hope, and good feelings, not with bitterness, depression, and exhaustion.
20. Remember that effective group work depends on honest, deep communication among the participants. That demands solid human understanding and considerable personal maturity.
21. Never allow teamwork to lead to mediocrity. It must always be carried out in the spirit of greatness.

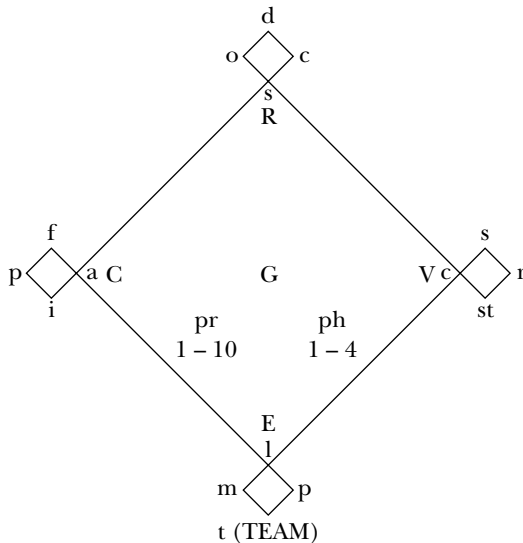
In terms of these twenty-one principles, how does your team measure up?

## Using the Leadership Diamond Model to Analyze Teamwork

In Chapters Ten and Eleven, we will use the Leadership Diamond model as a grid for analyzing leadership situations. Here the issue of teamwork provides a first example of this use of the model. A few amplifying thoughts about teamwork analysis are now in order.

The Leadership Diamond model consists not only of one central Diamond but of four additional Diamonds, one on each corner (see Figure 5.2). Thus *ethics* (E) is not a single point but rather a Diamond itself, consisting of the resources of the leadership mind—the tactics, which are team (t), meaning (m), love (l), and principle or integrity (p). Similarly, *reality* (R) is not a simple Diamond corner but consists of detail (d), objectivity (o), survival (s), and contact (c). *Vision* (V) is not merely one point but is supported by the tactics of reason (r), systems (s), creativity (c), and space-time (st). Finally, *courage* (C) is upheld by the tactics of product advocacy (p), isolation (i), anxiety (a), and free will (f). Further, we must be sensitive to the two dimensions of greatness (G), the pragmatic (pr) and the philosophical (ph). Strictly speaking, we must also make allowances for each one of the subdivisions of these two approaches to greatness. If, for example, the issue is denial of reality, we invoke at least two elements from the toolbox: R (reality in general) is dealt with negatively, and  $G_{ph3}$  (resistances to authenticity, self-deception) is invoked.

Figure 5.2. Teamwork



In diagnosing a particular leadership situation (such as teamwork), we set the Leadership Diamond on its relevant dynamic corner and dynamic subcorner. In the case of teamwork, we place the Diamond on its ethical corner (which is now the dynamic one) and within it we place the subdiamond on the team corner. We then understand that every corner and subcorner of the Diamond, every strategy and tactic, is a resource that can be enlisted in support of the one leadership situation at hand—in this instance, teamwork. This method mobilizes the full power of the entire Leadership Diamond (and, with it, the full armamentarium of the human mind) to the benefit of the one leadership issue we are managing.

Each tactic and strategy, as well as greatness in general, can now be correlated with teamwork (which rests at the base). Each capital letter represents a strategy, and each lowercase letter represents one tactic (for example, reasoning, systems, creativity, and space-time under *vision*, and product, isolation, anxiety, and freedom under *courage*).

Each of the twenty-one principles of teamwork is supported by one or more resources (tactics) and dimensions (strategies) from the Leadership Diamond model, as follows:

- |        |             |         |
|--------|-------------|---------|
| 1. R,s | 8. E,l      | 15. V,s |
| 2. E,p | 9. R,o      | 16. V,s |
| 3. E,p | 10. R,o     | 17. G   |
| 4. C,f | 11. C,i E,p | 18. C,f |
| 5. C,p | 12. R,c     | 19. C,f |
| 6. C,f | 13. R,o     | 20. E,l |
| 7. R,o | 14. V,s     | 21. G   |

In this way, we see how the full powers of the Leadership Diamond model—that is, the full range of the resources of the leadership mind—can be mobilized in the service of teamwork. That is effective leadership.

## CHAPTER 6

# Courage Acting with Sustained Initiative

We now explore in greater detail the supporting tactics of the strategy of courage. The goal is to challenge you to connect ever more deeply with the very source of your power.

### Elements of the Tactics

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Let us first consider aggressive marketing.

#### Product Advocacy

There are many types of products and many types of customers. Anything that you create and offer to others is a product. Your service to your superiors is a product; your service to your subordinates is a product. You have external and internal customers; you have immediate and distant customers. Whatever you offer to them, from paintings or education to health or food, from ball bearings to stock market information, is your product.

Even as an independent individual, whether you work for a large organization or are a private entrepreneur, a retired golfer or a student embarking on a college career, you will benefit by conceptualizing yourself as a business. *Business is the language of effectiveness.* Its categories help you tune up your mind for the race toward success, no matter what your enterprise. Ask yourself these



questions that are traditionally associated with the ultimate management guru, Peter Drucker:

- What is my business?
- What is my product?
- Who are my customers?
- What do they perceive as value?

These questions force you to rethink what, in a larger sense, you are doing. Systems thinking and strategic intelligence are required to answer them. And remember Peter Drucker's edict: *the only reason for the existence of a business is creating satisfied customers.* Your business may be to write a poem or to find a lover, to accumulate wealth, promote justice, fight crime, eliminate poverty, build a legacy, create an estate, start a dynasty, own a ranch. Give your "company" a name, such as "Unlimited Potential," "Transportation Solutions," "Nutrition Intelligence," "The Knowledge Cooperative," "Action, Inc.," "Terra Firma," or "Omnia." Or you can be like the veterinarian who calls his hospital "Aardvark, etc."

Be original. By thinking of yourself as a business, you formulate your thoughts and focus your mind, with the best chance for achieving your goals. That is the generic meaning of being a product advocate; you have something to create, something to market, something to sell, because you *are* something. You stand for something. Now promote it.

Markets must be integrated and managed, not merely accepted for what they are. The aggressive management of markets is not a matter of vision alone but of courage as well. Neither the automobile nor the computer was merchandised in response to a need. Marketing analysis could not have discovered customers for recombinant-DNA products. The market must be educated, and the visionary, courageous leader does precisely that.

Let's say that a customer is difficult—unpleasant, even unethical. You are angry, irritated, disgusted. What is a courageous response? Remember three things. First, the customer treats you the way he or she has been treated by the world. "It's a jungle out there," and not only for you. You market your product by putting

yourself in your customer's shoes. You are therefore qualified to deal with the customer. You have courage, and you are effective in advocating your product.

Second, your job is to teach your customer leadership, whatever else your product or services may be. This is the way you are encouraged to think. You do that by modeling how you respond to the frustrating encounter, not with anger or depression but cheerfully, with resourcefulness, enthusiasm, and positive energy.

Third, your customer wants to buy what you have to offer. It is unlikely that you would be in a business relationship if that were not true. You must therefore help your customer find ways to use your product.

By teaching leadership, you can serve your customers twice. You show them how to cope with their general frustrations by showing them how, in this situation, you cope with yours. It is a bonus for your customers. This guarantees you an attitude of genuine tolerance and compassion. You are teaching how one stands up to defeat. That is not only a business virtue but a human virtue. You also look for ways to make it possible for them to obtain and use your product by putting yourself fully in their shoes. The relationship is one in which you help them. It is neither argument nor confrontation. It is this total customer focus, an act of generosity of spirit and personal loyalty, that can make business successful to the precise degree that it is ethical.

You are successful in product advocacy because you can handle frustration better than the next guy. And never forget that your frustration is the same as your customer's. If your customer can handle frustration better than you can, then the roles are reversed, and you are the customer, and he or she is selling you something.

What do you sell? If you are a physician or a psychotherapist, you sell health; if a lawyer, protection; if a priest, religion; if a teacher, knowledge and self-development; if an artist, experiences. And if you court someone, you are trying to sell love—or yourself. The principles of successful product advocacy apply everywhere.

Innovations in companies—new products, new processes, new organizational ideas—often meet bureaucratic resistances. Organizations may claim that they want innovation and that they promote creativity, but when you propose it, you meet sluggishness, inertia, and stultifying organizational rigidity. The cause is not so

much individual managerial malevolence as systemic inevitability. To move an organization can feel like eating your way through a gigantic marshmallow mountain: it absorbs all assaults, its demands are endless, and it envelops all efforts to move its amorphous mass, bland and sticky. It is at such moments that product advocates are welcome and needed. Do not give up. Persist. Have faith. Today's heresy is tomorrow's dogma. It is just such people who have become history's heroes.

### **Aloneness and Independence of Thought**

To be courageous is to be prepared for the isolation of leadership. Thus to be a self-starter is to be autonomous, to have given up the helplessness and dependency that are often fostered by the presumptive security of larger organizations. Autonomy is the ability to live in isolation and be comfortable with the feeling of aloneness. For the person who cherishes intimacy, isolation is as painful as it is fundamental to integrity, because intimacy without the courage to stand up for one's rights is empty servitude. Intimacy is a virtue when it is given freely by an autonomous soul. Autonomy is not an infrequent concern in Oracle questions. How does one develop into being one's own person after a lifetime of being totally compliant, just wanting to be loved, concerned with what others think?

To have courage is to think for yourself. It is to reason independently when assaulted with conflicting opinions. It is to have clear and firm values, of which you are proud and which support you under stress. It is to have faith—in yourself, your family, your organization, your religion, your country, your ideals, your profession, your friends. Each person has faith in different arenas. What matters is that you be capable of faith, which makes you independent of the winds of doctrine that blow around you. You have the power to generate inner data that exert more influence than external data.

To think for yourself means that you are steadfast in turmoil, in chaos, under stress, in doubt, in anxiety and guilt, in depression and anger, under assault and abandonment, in change, in ambiguity, in uncertainty. You are a fortress under siege, a ship in a storm, with experienced and calm commanders.

Here, visioning leadership intelligence overlaps with the strategy of courage. The visioning mind must be prepared for the loneliness of leadership, for holding on faithfully to a vision frequently derided by others helps you remember that persistence wins. Steadfastness is the courage strategy applied to vision.

Be prepared for the loneliness of leadership. It is worse and more difficult than you may have thought it would be, for it is not a thought; it is real. Are you adequately prepared for loneliness? Do you face it or repress it? A leader is not a lonely person, nor is a leader necessarily an introvert, but a leader can withdraw into total isolation, from within which he or she can then make difficult and painful decisions, often unrecognized for their high ethics and noble courage. A leader can be a very private person. If circumstances warrant it, he or she can suffer in silence.

## Anxiety

The most difficult aspect of courage is its psychological dimension. It is therefore critical to understand that anxiety is the *key* to courage, for courage is the decision to tolerate maximum amounts of anxiety. You should face your anxiety, you should stay with your anxiety, and you should explore your anxiety. The same is true of the decision to tolerate guilt. In general, management techniques, useful as they may be, are often more escapes from courage than effective tools to harness courage.

Leadership means presence, contact, and credibility, and these come only with character. Character is developed by going through the existential crisis, which means to allow anxiety to come to full flowering. Do not fear anxiety. Instead, allow yourself to feel it fully. You come out at the other end of the process strong and resilient, wise and mature. You prize the value of integrity. No significant decision, personal or corporate, professional or military, has been undertaken without its own existential crisis, the leader choosing to wade through rapids of anxiety, uncertainty, and guilt. It is such crises of the soul that give leaders their character and their potency. Dostoevsky said that taking a new step, uttering a new word, is what people fear most.

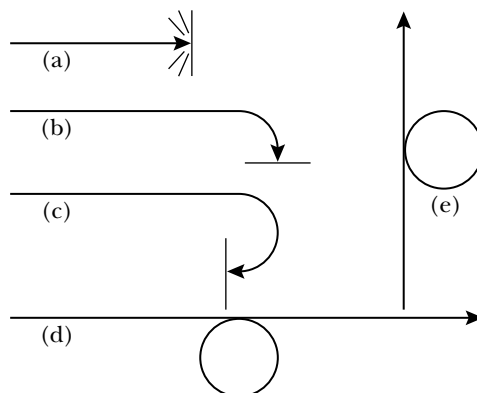
Anxiety is a cognitive emotion, which means that it can reveal the truth about the human condition and, in its special way, provide answers to the eternal questions.

Anxiety can usefully be understood to repeat the trauma of birth, which is the most dramatic change a human being will ever experience. This metaphor dramatically reveals that pain can be the door to a new life, since in birth there is pain for both mother and child. The word *anxiety* itself comes from the Latin words *angustus* and *angere*, which point to the pain of going through a narrow passage. Leaders choose to be born; nonleaders choose to avoid birth. What admits you to life is the choice never to avoid the anxiety of death.

You meet the existential crisis (see Figure 6.1) whenever you confront any crisis, when you hit a wall of frustration [(a)]. On the present view of anxiety and its relation to authenticity, you are then encouraged to pursue that which produces anxiety, only to find yourself in a downward loop [(b)] and eventually also a backward loop [(c)] in the journey of life. (You may say, “Thanks a lot!” to the person who gave you this advice.) Carried to its full conclusion, you will eventually move forward and continue on your journey of life, now strengthened and renewed [(d)]. You will have character and hope, power and effectiveness. Turned vertically, it becomes a primitive drawing of a pregnancy [(e)]—a fitting symbol. And the process of building leadership character will never reach its apotheosis if, midway, cowardice stops you.

What does it mean to encourage your anxiety? Do not hide your feelings. Do not repress your thoughts. Do not ignore the pain; feel

**Figure 6.1. The Existential Crisis**



free to discuss it with others. Know that there is more pain, that you are only touching the surface. As you talk, think, feel, write, question, and read about the issue that causes you anxiety, you may find your mind flooded with emotions. These are part of growth. The anxiety that is buried in you, properly understood and properly experienced, can translate itself into growth, strength, and fulfillment. That would be the successful completion of the existential crisis, and such is the pattern of the leader's life.

In sum, anxiety is how it feels to grow. One becomes an adult by learning to move through anxiety, to stay with it and not avoid it. Leadership, therefore, means to face anxiety, not fear it, to make it your constant companion. We are here at the very nerve center of courage.

Theories of anxiety have had a curious history. Medical science, beginning with Freud, has viewed it as an illness, and there is much merit in this position; that is a healthy and intelligent attitude toward one of the grave problems of humanity. But there also exists an entirely different position regarding anxiety—a position that promises to be the axiom of leadership. That view is the contribution of contemporary philosophy, especially of Kierkegaard, to the understanding of anxiety and its relation to your personal authenticity. Anxiety is the natural condition of human beings. Anxiety reveals truths that we wish to hide but in fact need for our greater health. Anxiety is the experience of growth itself. How does it feel to proceed to the next stage of growth? The answer is, be anxious. Anxiety must, therefore, be valued, not denied.

Anxiety is the revelation that there is death and that we must face it. Anxiety is the revelation that we are surrounded by an emptiness, an abyss best described as nothingness, and that life's projects are defenses against this dismal but ineluctable truth. Therefore, the healthy person is the courageous one, the person unafraid of anxiety, who says yes to life in spite of the overwhelming omnipresence of this abyss of death. In fact, courage means to know a secret: *anxiety is pure energy*. It can go in either destructive or constructive directions; you make the choice. To be is to say yes to anxiety. That is the meaning of courage.

Anxiety has many additional sources besides the fear of death. Anxiety derives from the fear of abandonment as much as from the fear of assault. Anxiety results from the fear of ridicule as much

as from the fear of insanity, for all human beings are easily ridiculed; many people feel ridiculous without anyone's having said anything to trigger it. And many healthy people worry about whether they are normal. But what is normality but the consensual, what society has agreed to accept? And doesn't that change from age to age and from civilization to civilization? Isn't that the lesson that history teaches us? Knowledge of history liberates us from the tyranny of the culture into which we were thrown quite accidentally. But history, while it emancipates the spirit, also throws it into a vortex of anxiety.

Anxiety also results from the knowledge of our freedom, for the inherent freedom of being human often precludes a clear right or wrong answer. Frequently, right and wrong are created by our choices—an insight as painful as it is profound. Again the result is anxiety. The authentic leadership solution is not to deny this anxiety of freedom but to live through it, to face it, to go “cold turkey,” to sweat it out. To give up something, without frills, gimmicks, or support, is to face your naked anxiety. That is the true meaning of courage—to choose freely to tolerate anxiety. That is how we grow; that is how we exhibit character.

Freedom also leads to the anxiety of guilt, for whenever you choose freely, you can deny freely, and whatever value you deny by your choice can lead to guilt. In fact, the existence of guilt is proof of the existence of freedom, for guilt is what you feel when you have made a deeply personal and very difficult choice. To face the anxiety of guilt is to move forward with courage.

Change, too, is a source for anxiety. Change disorganizes stability. It creates confusion, which is experienced as anxiety.

In real-world situations, the practical formula with respect to anxiety is this: *go where the pain is*. In other words, be ready to talk with evil. That is a technique for achieving leadership courage. Explore your moments of anxiety. Examine your nightmares. Do not fear them, and do not deny them. They hold the answers to otherwise unanswerable questions. The passport to authentic life is to integrate and transcend both pain and evil. The soul that can absorb its opposite, the enemy, is on its way to power and character.

If a friend dies, don't pass it off as something you must overcome and say that you must get on with your life and be practical. In the end, that *is* what you will do, but from the point of view of

leadership potential, it is best for you to feel your pain. Give yourself permission to grieve, and pour out all the grief that is in you—not only the grief about your friend’s death but the grief that has accumulated over decades.

Anxiety is “where the rubber hits the road”; many a novice pilot will tell you that upon a first landing. Anxiety is the experience of thought becoming action. What do you feel when reflection becomes behavior, when strategy becomes implementation? Anxiety is the feeling of leadership in action, of theory being transformed into practice.

### **Free Will and Responsibility**

The very heart of courage, the philosophical core, is our human freedom. That is the fourth tactic or resource—the critical success factor. Freedom is a fact inside your heart. It is your most precious possession. It gives you power over your life. It gives you the benefits of being responsible for your existence and accountable for your life. Free will cannot be explained scientifically—only philosophically, poetically, religiously, or mythologically. Claiming your freedom is the ultimate secret for mastering your life. To discover your freedom inside your heart is an exuberant experience of both exhilaration and hope, and that freedom can never be extinguished. Heroes have exercised this freedom at the risk of life itself. True love means to surrender that freedom to another. The greatest gift you can ever give is the surrender of your freedom. That is the ultimate act of love—toward a spouse, a child, a boss, a friend, a nation, a leader, a cause, an ideal, or God.

Irvin Yalom (1980) writes about “leverage-producing insights” that stimulate you to claim your freedom. They are called insights because they are truths. Once we recognize them as such, we are provoked to courage. Remember these affirmations:

- Only I can change the world I have created.
- There is no danger in change.
- To get what I really want, I must change.
- I have the power to change.

This is how a person feels who has discovered freedom. That discovery can make the individual into a leader.



From your freedom follows the power for initiative. The leader is a self-starter. Leaders energize themselves; they do not require external sources of enthusiasm. They know that to be human is to be a creator, to have the ability to start something from nothing. The creation of the world, a theme in all of the world's mythologies, is the cosmic image of our subjective initiative—a cosmic metaphor for our innermost truth.

Energy, as it is subjectively experienced, is not derived from the chemical properties of food but is the decision to have the courage to be, the commitment to exist. Energy is self-chosen, self-started, self-initiated. Its source is not visible to us, for we *are* it. Further, the energy we can summon—from sheer free will, self-discipline, determination, resoluteness, or guts—appears to be inexhaustible.

It is psychologically true that our environment can either energize or de-energize us, motivate or de-motivate us. But it is also true, at a deeper level (that is to say, it is philosophically true) that we have the power to choose to energize ourselves (and, of course, to de-energize ourselves). At the seat of the soul resides the power of spontaneous free will, which can choose to motivate or demotivate, to create enthusiasm or decide for depression.

Through their behavior, executives are expected to demonstrate redoubtable action and inspiring initiative. In practice, however, it appears that they often are conservative, cautious, and protective. That may make good common sense. Nevertheless, when questioned, many executives insist that their biggest failing has been not seizing the initiative, needlessly postponing action, and that applies as much to their business lives as to their private lives. Furthermore, for initiative to make a difference, it must be sustained. It must be persistent, continuous, unbroken. Everyone can exercise his or her freedom once in a while. What is rare is the ongoing, ceaseless, unfailing manifestation of the power of freedom, which means to act with sustained initiative. That is indeed the mark of authentic leadership.

Leaders must make good decisions, fast. Good decisions now are mostly participatory decisions, team decisions, but the requirements of today's organizations are so stiff that good team decisions must be accelerated. And they can be, for an authentic leader knows how to get to the point, the real point, quickly. Real philosophic wisdom, not technique, makes that possible.

Initiative, freedom, and energy are intertwined. You have the power to start your own energy, but you also have the power to create energy for your organization. Some people take energy away. You feel it when you are in their presence. Some give energy to you. It is an exhilarating experience. A “manager” takes energy away from the organization, drains energy from his or her people. A leader gives energy to the organization, infuses energy into his or her people. What kind of executive are you?

Freedom, as the heart of courage, as the critical success factor of this strategy, is related to one of the fundamental points of contemporary philosophy: *truth is action*. Truth is not what you say but what you do (with the understanding that saying is frequently doing, as when we promise, love, or insult). This truth is unsafe—a risk, a commitment. You may be terribly wrong but also profoundly right; perhaps “right” is what you make it. A fully human life is not a reflective existence but an *acting* one. The reason for resistance to courage (fear of courage) is that a transformation occurs—a conversion, from reflection to action, from thought to implementation. The mind that acts is different from the mind that reflects. Both are important, but the translation from one to the other is an act of will that is the special prerogative of human beings. It is as important as it is difficult to explain the mystery of action from the point of view of the reflective consciousness. In fact, it is equally difficult to define the reflective consciousness from the point of view of action. It is almost as if, by some magical process, we think that we can bring a dream image into the real world.

The tradition of Athens is that value, reality, and knowledge (truth)—the three primary fields of philosophy (ethics, metaphysics, and epistemology)—are given by an impersonal general theory, a dehumanized abstraction of universal validity. The tradition of Jerusalem, by contrast, defines truth, value, and reality in terms of a fully personal decision, an individual commitment, an act of great risk. As an example of the tradition of Athens we have Plato, who, with his theory of ideas, defines truth as eternal forms that the soul perceives both before birth and after death. These forms represent verities that hold for all time. The tradition of Jerusalem is exemplified by the crucified Jesus, who made his statement, at one time in history and at one point in space, by surren-

dering his life. The first kind of truth is what you produce in the safety of your study or laboratory. The second kind is what you find in the danger of the barricades.

To gain your freedom, you must be prepared to be anxious. The result is centeredness, which returns us to the philosophic level of tactics. To be centered is to have the feeling that you touch the ground of your being, the seat of the self, which leads to the miracle of self-validation or self-authentication. This deep faith, springing genuinely from the center, that you are basically right, legitimate—that you, as a child of the universe, belong here—is the true foundation of character, maturity, and emotional stability. The effect of claiming one's freedom and the choice of energy (that is, to choose to be an energetic person) is centeredness, the peaceful feeling that one is living from the inside out. It results from choosing freely to withstand the anxiety that follows when we overcome resistance to the truth.

Everyone, in his or her heart, is isolated. That is the human condition. Friendship and love are the communion of two isolated selves sharing their sense of isolation. As we penetrate our isolation more deeply, we also discover that the center we reach connects us with the entire universe. To reach that innermost still point is the goal of many religions and philosophies. Once we have found it, we do not feel lonely at all. We feel rich and peaceful. It is the discovery of maturity. The end of courage is to reach that center of our inner earth. There is no greater depth than that; moving on, beyond, is to go back to the surface. That center is the point of ultimate stability. To have courage is to operate from within that still point.

The philosophies of the East have as their primary objective the recovery of this center—reminiscent also of the philosophical tactic under the strategy of vision. But so likewise have many philosophers of the West. It is all splendidly captured in these lines from T. S. Eliot's "Burnt Norton."

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[Text not available in this electronic edition.]

We can summarize all these truths about the depth of the human soul with a single phrase: *the anxiety of freedom*. Anxiety about freedom is a central aspect of the human condition. Deny it and you are stultified. Acknowledge your anxiety, let it go where it wants to go, and you understand that a human being is meant to tolerate anxiety. And you are equipped to do so—physically, morally, mentally, and emotionally. Surrender to your anxiety will make you free. Here is the secret of courage. It can be yours. It can change your life. It is your key to leadership.

### **Courage: Summation**

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It is time to weave together all the tactics of courage. For this purpose, let us turn to another Oracle question:

#### *Oracle Question*

I have high-level project-management responsibilities. I have serious problems with a key subordinate. He, in turn, manages a team of twelve persons, who fan out to the full organization to effectuate the strategic messages from senior management. He and I together make bad chemistry. I believe his capacity as leader is limited. He is entrenched in his position and cannot easily be replaced. Anyway, it is company policy to challenge and train managers, not to replace them. He lacks control over his organization, and I seem to have no control over him. I do not want to go over his head and manage his organization directly. Morale, of course, is low. The work is not getting accomplished. It is a hopeless situation. I think I do not have the courage to face this problem. My anxiety level is too high. Is there anything I can do? Although I am embarrassed to admit it, I'm rather desperate! I feel anxious every day I go to work.

Here is a clear case of the need for courage. And here is a message to that question: as a leader in this situation you must have a strategy—a point-by-point management plan—to deal with your problem. But the strategy, which is the systematic approach expected of managers, accomplishes little if it is not buttressed by a strongly developed personal side of leadership. You yourself must develop that inner side, and you must challenge it in your subordinate. To marshal your courage, you will find it useful to adopt three attitudes: objectivity, credibility, and effectiveness.

These points are about the inner side of leadership. They are states of mind. *Objectivity* means understanding the objective facts and the objective responsibilities in your work situation. One objective fact about business in general is that people must do good work. This is a nonnegotiable proposition. It is not a rule but a reality. There can exist no business where people do poor work. This is a fact, and it must be clear to all. It is not a decision, not a human creation. It is not an opinion. It is the truth. You cannot compromise over good work. If you are tempted to do so out of fear, then the reality is that you are not a manager. This is also part of objectivity.

To see reality as it is is not the same as to take personal responsibility for it; the weather is what it is, and the meteorologist has no responsibility for it. The habit of differentiating between fact and freedom must be ingrained in everyone (you and your subordinate) who wishes to manage. We are responsible for actions but not for natural facts.

Often this limitation is not clear to managers, nor is it apparent to subordinates. Managers are not omnipotent; reality is. We can protect no one, not even our children, from what is. It is an objective fact that people are responsible for their own actions and for the consequences; no one else is. Human beings are but the consequences of their actions. (The philosopher Gabriel Marcel used the phrase *homo faber* to refer to this concept.) You are what you do.

Remember always, however, that people are extremely sensitive to their sense of self-worth, self-respect, and dignity. Do not make them wrong. Never diminish a person's self-esteem. People of all cultures must save face. Do not moralize. Do not tell people what they must do. Draw attention strictly to the facts, but know exactly what the facts are. There are social facts, emotional facts, moral facts,

and material facts. That people are responsible for their actions is one of these facts. Stick to reality, but never forget that people panic when their self-respect is threatened. Do not humiliate them. Humiliation is unethical and unpragmatic. These are facts—interpersonal, relational facts. To balance standards and respect is the art of leadership.

*Credibility* means that you are believable. To get through to your subordinate, you must first be credible. You cannot afford to appear the fool. Credibility is a function of your personality. It is not what you do but how you do it, who you are when you do it. People must learn to respect what you say. You must be heard when you speak. People must learn to trust you. This means that you must be open to feedback. It means you will have the inner strength to ask for genuine feedback and assimilate it well. You will have the courage to ask, “What, in my behavior, would you like to see different?” And you will possess the fortitude to elicit honest answers and have the good sense to give satisfaction. That requires extraordinary centeredness, a strong sense of inner security, which you can achieve through a solid philosophy of life. (The Leadership Diamond model is intended, in part, to facilitate that for you.) Only in this way will you gain or regain control over your organization.

*Effectiveness* means that you get results. They, and only they, count. Why? Because executives are mean? No. Because nature is that way. Who says so? The market speaks. The supremacy of results is not an opinion but a natural law. Results are translated into survival. Never let go of this insight. No matter what you feel, you are obligated to achieve results with your organization.

On the softer side, you must have an emotional alliance with your subordinates. You must feel connected, even close. That demands cooperation, considerable maturity, and mental health. People often choose not to cooperate. That is partly their fault and partly yours. But without that conscious connection, a common intersubjective space, there is little hope for effective management, and it is time for the parties to separate. You need to be compassionate, but you must also know the limits.

Effectiveness requires consistency and perseverance. The soul grows slowly, but it does grow. It wants to grow. You must have the power that comes from being comfortable with isolation so that you will be centered enough to wait patiently for results.

The manager who posed the earlier Oracle question resists confronting his subordinate. His fear is understandable. With his mind focused on objectivity, credibility, and effectiveness, however, his courage can be strengthened.

Courage is the foundation of leadership. All other leadership values are brittle unless reinforced with the steel of courage. Some executives choose security over courage and are not proud of it. Security is indeed a value, but the only real security lies in your leadership courage. There can be nothing more dangerous than being lulled into security by avoiding anxiety. The sole security lies in confronting and living through the necessary anxiety to act with courage. Aristotle understood correctly that courage is the first of the human qualities because it guarantees the others. Consider this case.

Imagine a young and highly ambitious midwestern oil-company executive (in Chicago, to be precise) who has everything going for him: a promising career, a wife, a new child. He and his wife have just made the down payment on their first house, and now they also have a home. The boss calls him in and gives him the good news: “We have a promotion for you. We have a demanding and challenging position for you in the Sudan. The position requires that we advance you, simultaneously, *two* levels of management. It will also ensure for you a virtually unlimited career in the company. The committee selected you from among a large pool of promising candidates. Congratulations!”

Overjoyed, the man returns home to inform his wife. She, however, far from applauding his success, is upset by the news. After all, she points out, she too has a career. Although she has taken a leave of absence from her job as an accountant to care for the new baby, she intends to return to work soon. What about *her* plans?

Nonplussed, he knows that reality has hit him. Courage, here, is not in compromise. The company cannot make adjustments, for the world oil crises are not sensitive to a young couple’s immaturity. He cannot relinquish his promotion, for he will resent his wife’s ruining his career. Nor can she herself compromise, because she will only hate him for squashing her own ideals. Moreover, the young people will be tempted to believe that maturity means denying their archetypal feelings (on the contrary, doing so leads to illness, depression, lack of affection, and the end of sex).

So where is the solution? Having courage is the solution. Courage means going back to fundamentals. Are we a family or not? Are we individual prima donnas, or do we operate as a team? This choice requires a root decision about the values to which we make a commitment. That is the courage of taking a stand. Right and wrong are not decided by society or by absolutes but by individuals resolutely determining what they believe in as their fundamental value commitments to life. That stance means access to one's freedom. It means risking guilt, anxiety, and anger in the journey toward authenticity. It means knowing what it is to make a decision and flesh it out by the way one lives. Such is the metaphysics of courage.

The correct and mature response is, "I want you to have it your way because I love you and because I live for you. That is the meaning of our marriage." The husband, then, wants to stay, and the wife now wants to go, and the child will adapt. Finally, each partner can venture to disclose his or her true feelings: "I love you, but I want to take this important career step," says the young husband. "I love you, but I don't want to give up my career plans," says the young wife. A loving family decision emerges. What matters is less the factual reality than the improvement in marriage that is brought about by having made a win-win joint decision.

This may be the couple's first real-life challenge to serious maturity, to real-world ethical decision making, and to the serious assumption of personal responsibility—accountability that rises from the depth of their souls' freedom. The solution, whatever they choose in the end (and we must not exclude even divorce as an option), will be their first act of courage, for courage, you will recall, is not to conquer others but to conquer oneself.

Courage does not mean to boss others around but to choose from the inside out who we truly are, to define who we are and prove that we mean business about our values. What matters is not the *what* (that is why advice and logic are of little importance); what matters is the *how*. How does the couple choose? The *how* gives them character. It solidifies their individuality. It is the fire that tempers their freedom. The *what*, which at first appears paramount, is in the end of no emotional significance. Authenticity develops from how one chooses, not from what one does. When it comes to courage, results are in the process, not in the product. The Danish philosopher Kierkegaard said it well: joy is "to will to



be that self which one truly is.” The great psychologist Carl Rogers frequently used the phrase that *we become who we are*.

How to acquire courage are frequent Oracle questions.

### *Oracle Questions*

How can I overcome my lack of courage?

How can I beat complacency and maintain the will power for the rest of my life, to keep focused on leadership intelligence?

There are many things I feel I need to change in my life. I procrastinate because they are difficult decisions about work, family life, and so on. How do I force myself to accept the fact that I control my own destiny and therefore must stop procrastinating and take action?

My self-diagnosis confirmed that my most serious weakness in the path of achieving greatness is the lack of courage. This has overwhelmingly prevented progress. The thinking process we have been through has further highlighted the issue—lack of courage to speak up on issues, follow convictions, and motivate people to follow my way. How can I, by myself, overcome the fundamental lack of courage?

And here is a person who does not yet accept the fact that courage is acquired only by going through some very difficult periods of anxiety and that these steps are not taken through techniques but involve the raw freedom of our elemental decision-making powers. There is no escape from freedom.

### *Oracle Question*

Life is an array of compromises for most of us, and achieving a balance that we can live with is a goal, but one balance eludes me. In the area of courage, I agree that the decision to deal with anxiety is a measure of courage. But where do you draw the line with a leader who needlessly belittles people for sport, or out of his own lack of ability to deal with his own anxiety? If you allow yourself to be trampled, you won't feel good, but if you are not tolerant at all, you will be downrated.

To have courage means to claim your freedom, to reconnect with your will power, to reach the source of your resoluteness and determination as a person.

*Oracle Question*

My taken-for-granted, high-potential, fast-track career unexpectedly stalled. I am emotionally in a rut, although considered successful by family and friends. My ego is seriously wounded, and the myth that I am living is no longer tolerable (alienation). How do I get to again be a leader of sterling character, when I have great difficulty concentrating on the reality?

Many courage questions have to do with marriage-career conflicts.

*Oracle Questions*

As my children are reaching their critical, formative years, I see a real need to provide more leadership and guidance at home, to truly fulfill my responsibilities as a father and achieve personal satisfaction. Yet the requirements of my job are expanding dramatically as demands to participate and assume leadership roles in more and more teams, task forces, process improvement groups, and so on compound my existing work load. The days regularly expand to the late evening hours and to weekends and often end in personal frustration and adversely affect my loved ones. It seems to be a vicious cycle, with no near-term prospect for improvement. In fact, conditions could deteriorate as business activity slows. How can I slow or halt this pattern, to achieve better balance between my career and family and gain the inner peace so necessary to be productive?

In my drive for success, I have failed in my obligations to my family. Do I stop now and try and reconstruct those relationships, or do I continue to drive forward on my present course?

What might be a response? In this situation, the decision is not between the two alternatives of continuing as you have been or reconstructing your family. Probably neither alternative would work

or please you. Confronted by an insoluble dilemma, the leadership mind rises to the next level of reflection (vision, nonattachment). Thus the solution is to make a commitment to values clarification. You are in a midlife crisis, which is when you ask yourself, “What is the meaning of life? Am I living the life I want, or must? What are my deepest values? What must I accomplish before I die?” Then, summoning the courage, freedom, and willing resoluteness to go through anxiety, you are on the way to choosing a new level of authenticity.

What kind of general answer can one give to all of these Oracle questions? While simply airing them may be more than enough, they are still on the threshold of some of the deepest insights into human existence. They lead to the realization that, for example, an understanding of death may be the key to an understanding of life. They are the secret of understanding, for instance, that at the core of the person is the nonbiological, nonscientific sense of free will—the ability to choose, the miracle that can create meaning out of nothing. Seizing that freedom, claiming that truth, actually living out our lives in the experience of our freedom means being willing to face grave anxiety, uncertainty, and doubt. It means facing guilt, anger, and depression—what Saint John of the Cross called “the dark night of the soul” and Jonas called “the belly of the whale.” It means that we accept pain as natural to growth, as the actual feeling of maturation. We recognize that the meaning of life is to be deep rather than to have fun, to understand rather than be entertained, to see rather than to be blind. We come face-to-face with our self-deception, with how we deny our true nature. We discover the perniciousness of ignorance and the worthlessness of superficiality. And these become emotional insights and experienced confirmations.

The meaning of freedom—the heart of courage and, at the same time, the philosophical tactic in this strategy—is by far the most difficult idea to communicate. It is the point where thought and action meet. Properly understood, this insight can be the answer to all leadership questions.

## **The Fundamental Business Issue**

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I am often asked this question: “What is the most important issue that you find in your consulting experience?” And here is my answer: getting people to understand, viscerally and not only intellectually,

the rich experiential meaning of their free will—specifically, the meaning of the following four concepts:

*Concept 1:* The ultimate unit of society is the individual. Everything starts with the individual. “Subjectivity,” the Danish philosopher Kierkegaard told us, “is the starting point.” True, we must work in teams, for teamwork is the essence of business success. True, managers and employees are expected to be loyal to their companies, and vice versa; companies need it, and so do employees. But teams are made up of individuals, and individuals make or break teams. The individual commitment to successful teamwork is what makes individuals choose to study team dynamics. Individuals make the decision to apply this knowledge. Only the individual can make this one unflagging decision: to commit himself or herself personally to contributing to the team’s success.

*Concept 2:* You are fully and personally responsible for what happens in your sphere of influence. This attitude comes from a severe ethics, extending from the Stoic philosophers of ancient Greece to the post–World War II period of the European existentialists. Such a sense of total responsibility for events is a subjective truth; it is true inwardly. Here your responsibility is 100 percent. Understanding responsibility is a key to maturity. To be an adult is to understand that responsibility is a law of nature. Further, to be an adult means that you find responsibility desirable, attractive—something you want. To be an adult is to treasure your self-reliance. Objectively speaking, we may say different things, but leadership is a subjective phenomenon, a subjective attitude, an inward transformation. We must use a language appropriate to its subject matter.

The real world seems to have been created precisely for people whose personal growth conforms to this fundamental principle of freedom. This is a philosophical insight. It makes sense in theology, in literature and the other arts but not in the behavioral sciences, for we are speaking here of the truth of subjectivity, not of something measurable and objective. Not to be sensitive to this key insight is to miss the center of gravity of the leadership challenge. Leadership is a personal phenomenon, intelligible only in the tradition of Jerusalem, not in that of Athens. This is true of the leadership that works *in fact*, not of the leadership that looks good

on paper. To be riveted to this deep point is the reality connection, the results focus, the passion for effectiveness.

*Concept 3:* You must understand the meaning of initiative and its source in your innermost freedom. You are responsible, fully and alone, for taking the initiative—in understanding problems, coping with them, in managing people (some of whom will help, some of whom will trouble you with their indifference, and some of whom will interfere). You, at all times and in all circumstances, must take the initiative to achieve results.

*Concept 4:* This truth of your freedom is not limited to your work life, which would merely trivialize it, but covers the full spectrum of the human condition. Only when you grasp your freedom in its wholeness are you the effective leader that you can be.

The essence of a human being is this nonmaterial, nonbiological core of freedom, this divine sliver of light inside your body. It is an authentic splinter of God the Creator. To be human is to harbor that freedom within, but to be a leader is to have chosen, with that very same freedom, to claim the power of freedom, to own it, to consciously and deliberately activate it in everything you do.

Nothing happens unless you make it happen. Your responsibility is wide-ranging. Wherever you find yourself, your sphere of influence, your capacity to affect events, to make things happen, reaches well beyond the sound of your voice and the reach of your eyes.

These are facts—philosophical facts, if you will, but facts nevertheless. These are realities of the world in which we find ourselves functioning and alive. These are not matters of opinion, of variable value systems, or changeable belief structures. These are truths of our human condition. We must live consistently with them, lest we become “unnatural.”

## Freedom

You look at the Diamond and you say to yourself, How do we translate these noble thoughts into action? Here are typical comments:

We have an excellent leadership program. It is democratic and compassionate. It is based on a few simple principles. People are different. The leader must develop sensitivity to this diversity and must

learn how to approach employees in accordance with their individual and separate needs, and in synchrony with their expectations. These needs and expectations are based on upbringing, social forces, and other personal experiences. We have superior trainers, but after spending large sums, we discover that employees simply do not make use of what they have learned; they do not apply it. A major reason they cite is that they do not see these practices exemplified by upper management. The expression is that they do not “walk their talk.” What can we do? We do not want theory, but we want action. We need to know what to do to overcome this problem. Is it all up to top management? Or have I met the enemy, and it is me?

We are the management team of this company. We are a young organization. Our acknowledged problem, recognized as such by us and by our employees, is that we are *not* a team. We do not cooperate. We are not unified in our vision. We do not adequately respect each other. As a result the entire company suffers. It is our company. We own it, and we cannot afford to lose it.

I understand all about empowerment. But how do I make it happen? What do I do? How do we change this situation, how do we solve this problem? How do we make the answers work? We do not wish to waste our time once more on touchy-feely stuff or mind-poking or even team building. We demand results.

These are legitimate questions. They deserve answers, and they have been given answers. But those answers, as the questions themselves insist over and over, simply do not work.

A team of twelve engineers in charge of about a thousand technicians could not get along; they were *prima donnas*. After struggling for almost a year, they reached the following insights:

As engineers, we viewed our lack of teamwork and cooperation as a problem, and engineers are taught that problems have solutions. In the world of construction, they do have solutions: here is the formula, and the structure either stands or falls. But we now understand that thinking of people as if they were objects is fundamentally wrong. We knew that in theory, but we did not understand it in practice. It leads to distortions and ends in failure.

Instead of attempting to go from problem to solution and then failing, we changed our language. Now we say we have pain, not a problem, and then we talk about the pain. The problem was not the disagreement but how we handled it, how we spoke to each other, and the emotions we allowed to rise within us as a result of improper communication. Now we say, "I feel, I understand," rather than "You are" and "You believe." We communicate, we speak, we listen; we try to see the other person's point of view. We establish relations. We accept that we feel good or bad about each other. We learn, and the result is that our perception of the problem shifts: the energy has left the problem; the pain has diminished. We cannot explain it, but we like it.

We call that *growth*. Rather than going from problem to solution, we go from pain through dialogue to growth. We grow as persons, as managers, as executives, as human beings. We treat each other better. We are more willing to make compromises. It is not how we behave that matters; it is the character and the maturity of our souls and the heart behind those actions that come through and are convincing. The bottom line is that productivity has increased significantly, not to speak of the healthier atmosphere around the workplace.

Why does growth occur at some times and not at others? What are the precise differences among improving, remaining the same, and getting worse? We train managers. They learn skills; they become knowledgeable and polished. They know the answers. But only when they become leaders do actions follow and do we see results. Where is the difference?

No words on paper can answer that question; actions alone can. And actions spring from a transformed vision. The transformed vision (which itself represents an action) means seeing the truth of your freedom, having direct access to the brilliance of your free will. Freedom is a reality within your heart. Know it, acknowledge it, claim it, use it. The key to leadership effectiveness lies in this clear understanding of personal responsibility. What we forget is that, although we already have the world's best techniques, they do not work because people make the decision *not* to make decisions. They decide to postpone decisions, to look for experts who can help them avoid decisions. How lovely, if this were possible; but it is not. Once we accept that, we rise to a new level of health,

to a new joy, a new vibrancy of being alive. When we see that abdicating responsibility is wrong, our reward is a better world.

People choose to rely on manipulating behavior, not on managing the will. Behavior is visible, measurable, trainable, and even mechanical; the will is not. We are not conceptually equipped, in our society, to deal with the fundamentals of the soul: death, guilt, anxiety, love, commitment, hope, joy, and freedom—our free will. We have lost our sense of myth, the readiness to view the universe as our partner. Therefore we cannot lead.

It is not that we do not understand or cannot understand; it is that we do not *want* to understand, that we choose *not* to understand. It is not that we lack the inner experience of our freedom but that, when we are face-to-face with it, we call it trivial, or common sense, or simply ignore or deny it; we mistake its poetry for platitudes. The best road to freedom is through an analysis of the resistances to freedom—fear of the new, terror of the unknown, the pleasures of passivity, the delights of dependency, the cultural hypnosis of clinging to society's directives. The root fact of human existence is that we choose to deny our nature. We choose to avoid self-disclosure. It is the surrender to eternal ignorance about what we can be, what we could be, what it means to be created in the image of God: a freedom, a creator, a free creator. That profound betrayal of our nature is the fall of man, the expulsion from Eden, original sin.

Once we understand this point, the search for correct techniques becomes less important. Techniques will still be recognized as the products of genius, but we can create our own, find our own; many different ones will do. Once we have the *will*, once we have the connection to the engine of our decision making, once we claim the power of our freedom, once we are prepared to see the world and ourselves in a different light, then we have what we used to call *the solution* but now call *growth*.

## Motivation

The strategy of courage is closely connected with motivation. The most powerful sources of motivation are not money or fear of punishment but rather pride, honor, self-respect, self-development, and the sense of accomplishment. Recognition and acknowledg-



ment, as well as their symbols, also matter greatly. Other sources of motivation, of course, are sheer will power and uncompromising self-discipline. Ultimately, only you can motivate yourself. Others can make it easy or difficult, but motivated people come just as often from sabotaging backgrounds as from supportive ones.

It is relatively easy to inspire organizational members to leadership. They are then ready to tackle any task. But management often fails to take advantage of the culture's readiness. Enthusiasm is like a jet aircraft; it must maintain speed to stay in flight. Once airborne, it cannot slow down without crashing. Once leadership energy has been released in an organization, its momentum must be sustained. Leaders cannot afford to lose precious time. In managing the "turned on" organization, there must be a management strategy that can be grafted onto the enthusiasm. The organization must know what to do. It must know how to channel the newly mobilized leadership energy. Furthermore, employees and managers must understand the full and real meaning of responsibility, initiative, and empowerment. Enthusiasm is preserved only in the psychological autonomy and emotional maturity of individual employees and managers.

How does one put teeth into newly released leadership energy? Through a contract and a public commitment. A contract means that an employee makes a riskier commitment to a manager and colleagues ("I'll resign if we fail"), and, as a result, the employee feels entitled to make much more severe demands on the dedication, caring, and competence of the manager and colleagues. This tightening of relationships is excellent for the well-being and effectiveness of the organization. It is the secret of building powerful teams. The contract must be made publicly, for that is how words become transformed into living commitments.

The question of leadership effectiveness is really the question of motivation. How does one motivate others? How does one motivate oneself? To motivate is to win the hearts of your people. How is it done? There are certain basic principles of motivation:

1. People can motivate only themselves. The best a leader can do is to serve as an example and present a challenge. Motivation is a personal responsibility.
2. True motivation arises from a sense of pride, honor, self-esteem,

and self-worth. People will do good work because their joy lies in accomplishment, in the fulfillment of their potential, and because their self-respect demands it.

3. The sense of pride can be enhanced through love. We must add, as a source of motivation, recognition, acknowledgment, and confirmation of a person's value.
4. People are motivated when they are noticed and heard. People want to feel that their bosses care enough to open their hearts and minds to them. A person needs attention, a human openness to what he or she is doing. Employees must know that the boss is fully conscious of how hard they are trying. It is the attention and the care that motivate.
5. Acknowledgment must truly mean something. It must be earned, so that it is the truth and not a lie. Support must also be given, not as a technique but with heart.
6. Compensation, in the business culture, is a sign of realistic acknowledgment.
7. A powerful motivational tool is faith in one's subordinates. The highest motivator is belief in another human being.
8. You must develop your people, give them added value, make them better human beings, and make them more marketable.
9. You must model, in every way, the authentic leader and worker in yourself. Your example is still the most potent motivator of your people.
10. There is a hard side to motivation: limits and expectations are (and should be) inflexible. Only by experiencing the impenetrability of reality is the soul motivated to mature. Reality has two hands: the soul (or ego) has its own inner need to grow, but it must equally acknowledge the tough demands for maturity of the world around it.
11. Greed is never an authentic source of motivation. In the end it will not work, for it contradicts itself: if greed means success for everyone, then no one will be left to manufacture the products and perform the services that greed was meant to buy.
12. Security is not a legitimate motivator, for it diminishes life.
13. Growth is a legitimate source of motivation, for growth is the nature of life itself. Growth means experiences. Growth makes employees and managers more marketable.

14. You must announce that you will always distinguish clearly and sharply between good work and bad, and you must not be afraid to make decisions accordingly.

The good leader is the leader who sets the example: the general who shows up on the front line, the manager who visits an employee in the hospital, the cost-cutting CEO who cuts his or her own salary. The inadequate leader is the one who delegates the personal contact, the one who sends memos instead of appearing in person, the one who sacrifices an employee to avoid personal embarrassment to himself or herself.

There is a simple formula for understanding motivation: *leadership effectiveness* equals *power* (charisma, credibility, achievement) plus *acknowledgment* (recognition, “making the little guy feel important”). Part of this formula represents technique; part represents character. Power results from both personality and accomplishment. A person with an authentic presence (one who has personality) is so credible that validation from that person means something.

## Democracy

In the political struggles of this world, totalitarian societies are founded on highly developed and widely disseminated ideologies. An ideology is a complete, quasi-scientific worldview that explains, accounts for, and justifies (in terms of a philosophical theory of human nature) a particular social and political order. Nazis, fascists, Maoists, religious fanatics, racists, all autocratic and elitist societies require (and have as their foundation) a clear, simple, extensively propagated ideology (a system of thought, a metaphysics) that justifies their view of human nature and the subservient role of the person within the state.

Democracies lack this commitment to such a widely disseminated ideology. This means that in the struggle for the minds of men and women, in conceptual argumentation, in schools, and in the political arena, democracy is far too frequently put on the defensive, and this is a monumental tragedy. Business, like politics, requires a solid philosophic base in support of freedom.

At the risk of vast oversimplification, one can usefully argue that totalitarianism tends toward a materialistic and objectivistic worldview, toward philosophic positions based on the denial of subjectivity. Totalitarianism is rooted in a metaphysics that posits reality as exclusively material or objective so that the animal kingdom and the realm of the physical sciences are, theoretically, enough to explain human behavior, drives, and aspirations.

Democracy does have an ideology, but to understand it requires a more developed mind. The ideology of democracy is founded on the primacy of subjectivity, on the sanctity of the center, on an understanding of the reality of consciousness and inwardness, and on the ability and the willingness to explore that realm, the seat of the soul. Ethics is a phenomenon of consciousness. It is a law of subjective mind, not of the objective cosmos. The tactic, or resource, of freedom under the strategy of courage—the last item in the Leadership Diamond Toolbox (see Chapter One)—exists to defend and propagate this view.

Business requires a solid philosophical base in support of freedom, but the argument for democracy cannot be only an economic one—that a free economy produces more wealth than a planned economy. That may not even be true; in any case it is logically irrelevant. When we talk of democracy, we talk of ultimate values, and these are not money but human dignity. They are not in the economic realm alone but cover the full spectrum of human existence, in all its freedom and consciousness.

Freedom is the heart of consciousness. The sense of being free, of spontaneous creation, of true initiative, of starting an action and of generating a thought, is the very source of consciousness. Inner exploration, that is, exploration by an eye turned inward, leads to what can justifiably be called scientific or empirical (that is, factual) discoveries about that consciousness. Among these discoveries is the dual fact of freedom and responsibility: *I am* the sum of the consequences of my actions.

That is the meaning of responsibility. My actions grow straight out of my consciousness. My actions *are* my consciousness, my freedom made visible, made into an object. Accountability must be reckoned to be a philosophic fact of human nature and of how human nature fits into the world. That is why we can say that it is

natural to be responsible and unnatural not to be. That is why we can say that accountability is healthy and irresponsibility is unhealthy—not because of utilitarian considerations, not because business needs it but because the facts of autonomy, responsibility, and accountability rest on the very nature of human existence. To be human is to be responsible. It is also to *know* that we are responsible.

These are key insights into the foundations of democracy, and the necessity for these philosophical truths is patently obvious in the current crisis of business management, which turns on whether managers and employees will assume full personal responsibility for the success of their organizations. Only this level of emotional ownership can make a business competitive. Thus business exigencies have forced us to recover a fundamental philosophic truth: human freedom. The need for autonomy among employees and managers is deepened into the recovery of democracy. Business and democracy are inextricably interdependent.

These are difficult concepts because they represent areas of experience that the social consensus teaches us to ignore. It is difficult to explain subjectivity to a materialistic world—a world obsessed with objectivity; those who can see find it difficult to explain color to the blind, and those who can hear cannot fully explain sound to the deaf. It is difficult (but, we hope, not impossible) for a mature adult to explain the sense of justice to an infant.

Business, the active core of today's world community and even of world history, depends, for its authentic existence, on the ideology of democracy. Successful business requires masses of people who understand that to be human is to be autonomous, to choose commitment, and to choose to work through teams. They must not only understand but also live by this understanding. The key is always "choice," and one's ability to make basic choices rests on the knowledge of one's freedom. The knowledge of subjective freedom—the fundamental, philosophical category of existence—makes sense only to those whose minds are open to the vast regions of their inwardness, to subjectivity, to the realm of the center.

Business—to the degree that it endorses freedom, to the extent that it knows it needs freedom as a philosophical category—is at the center of the deepest and most important struggle in the world today. Freedom is important—and not because business

needs it. Business itself is important because it provides an opportunity for the expression of freedom. Freedom is human nature, and organizations that do not reflect that freedom are unnatural. It behooves business to place at the heart of its training programs a simple but mature, understandable but sophisticated, analysis of freedom. That is good for democracy; it also happens to be good for business. A philosophy of freedom, an ideology that says democracy is natural to the human condition, provides sound credibility for the current business demands of autonomy.

**PART 2**

**The Context:  
The Search for  
Greatness**





## CHAPTER 7

# Confronting the Challenges

We have covered in detail the four dominant leadership strategies. We now need to further address the larger implications of the Diamond Leadership model.

After one of my early philosophy lectures on the inner side of greatness for upper-level executives at the Ford Motor Company in Dearborn, Michigan, a participant challenged me: “Doc, *I* make cars. What do *you* make?”

For a moment, he had me. But then it became clear that his was the wrong question. He does *not* make cars.

“Where is your wrench, your screwdriver, your lathe? You do not make cars. You *communicate with people*—through your words and your behavior, clearly and obscurely, consciously and unconsciously, effectively and ineffectively.”

The truth is, he is a *leader* among people, who themselves are leaders among their own people. Perhaps the people at the base of the pyramid are the ones who actually “make cars.” But even at their level, almost everything occurs in the mode of human communication. They, too, are leaders—or they should be.

The fact is that the key issues confronting business today are leadership issues. The twin challenges that organizations must meet are (1) to develop leadership intelligence and (2) to universalize that intelligence throughout the organization.

## The Fundamental Issue: Survival

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Whenever I have had the opportunity to meet business and political leaders at the annual gathering of the World Economic Forum in Davos, Switzerland, I am reminded that one theme universal among participants, whether in business or government, is this: *job one for business today is survival.*

True, downsizing (although it can be slowed by legislation, culture, and labor) is the inevitable outcome of technology. This process may be delayed, but it cannot be stopped. Nevertheless, it takes people to make the technology work. The necessary consequence is that as the number of people goes down, the quality of the people who remain must go up.

Recognizing the need for quality, many businesses send executives back to school for executive-level MBAs (EMBA) or for non-degree leadership training.

Leadership, says *BusinessWeek*, in its 2001 ranking of EMBA programs, is

probably the hardest subject to teach, but . . . something companies always want more of from their managers, particularly in an economic downturn or a crisis. No crisis could be bigger than the one left by the September 11 terrorist attacks on the World Trade Center and Pentagon, say many professors and administrators. For one, it showed that leadership is about more than just making decisions. [Merritt, 2000, pp. 102–108]

Indeed, nondegree programs may focus exclusively on leadership; an example is the Center for Creative Leadership in Greensboro, North Carolina, which was the top-scoring program in the leadership category in *BusinessWeek's* 2001 rankings of nondegree programs for executives (Schneider, 2001).

Quality people are required for quality products and services. But, even further than that, quality people are needed for what is beyond quality, namely, productivity, or output per hour worked. It is easy to measure in manufacturing but not in white-collar work (including the professions and management) or in human relationships, education, personal development, and the arts.

Productivity is often at the root of the concerns of those who are charged with ensuring an organization's survival. These con-

cerns all involve issues of people—and leadership. The following paragraphs describe some of them.

*Organizational effectiveness:* The perennial question is, How can we make the system that looks so good on paper actually work in the real world? Members of the organization are not doing what they are paid to do (that is, they are not effective); consequently, teams get nowhere.

*Morale:* With good morale, everything is possible. With poor morale, nothing is. Organizations are people-driven. They exist for people, are designed by people, and work through people. Leave people out, and you drain the blood right out of the body.

*Communication:* Individuals and groups do not feel heard, understood, valued. In hospitals, to cite one common example, the usual complaint is that there is not enough dialogue among physicians, administrators, nurses, insurers, and patients. The criticism is that companies are cold and indifferent, as if they could in fact become parent substitutes. Nevertheless, it does seem strange that the warmth and personal loyalty that individual friendship offers is not possible when all these “warm and fuzzy” individuals get together to form one large, task-oriented organization.

*Innovation:* Capitalism is growth through innovation. To stay alive, let alone prosper, companies must innovate in products, in services, and in management. Each company has its unique cycle of innovation for survival, but innovate you must, in product as well as in process. To say, “We’ve done it the same way for years” is a prognosis of an early death. Innovation also requires the unleashing of creativity and vision, as well as organizational support for the innovators.

*Systems:* The pervasive change in all areas of business today requires new systems. In the manufacturing industries, change leads to project management and continuous process improvement. In the professions, it leads to radically new ways to deliver medical treatments and to complicated and strained relationships between the private and public sectors. But these new, necessary, and highly complex systems cannot be implemented without breakthrough multidimensional new thinking about *people*, throughout the full culture of the organization. It requires new thinking about the personal side of leadership, about the transformed role that the

human core plays in what John Naisbitt has called the reinvented organization.

*Merger of cultures:* Restructuring often means that colliding cultures must now cooperate. The pain to organizations is great, and it is very difficult to allay anxieties and improve the morale of the reorganized company.

*Consequences of downsizing:* Jobs are always in jeopardy when the terms *restructuring*, *efficiency*, and *cost management* are used. Middle management of a reorganized company is being destroyed, and the psychological contracts established long ago to help employees feel secure are now, by virtue of the new economic currents, being violated.

*Future thinking:* Organizations must understand future markets and future products and have the good judgment and perseverance to produce long-term results in a short-term culture.

*Quality decisions at lower levels:* To remain competitive, organizations today require speed. Hierarchy essentially means bureaucracy, where decisions are slow. In decisions, errors of either commission or omission are costly. Lower managers and people in the field are therefore called on to make more and more of the critical decisions. These demands necessitate that more and more employees become competent in leadership intelligence.

*Retention of good people:* Good people are difficult to recruit, difficult to train and cultivate, and difficult to retain; yet strategies, products, services, financing, restructuring, and innovation are all accomplished by people who are mature human beings, motivated and loyal employees. Consequently, concern with establishing a culture that understands leadership thinking and behavior is paramount for organizational effectiveness.

## **Leadership: A Fresh Look**

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It is in the context of issues like these that we must view the complaint that leadership skills are notably absent from businesspeople's education and training. Further, a root problem of management is that technical achievement—research and development in products and services—is rewarded with promotion to management positions. But that is a lateral and not a vertical move, which means that managers are promoted out of their areas of competence. In

this situation, the focus cannot be exclusively on systems and technology, nor even on quality products and processes. Developing quality in products and services means developing quality in people, and developing quality in people means developing leadership intelligence. It means identifying, recognizing, recruiting, retaining, cultivating, and rewarding the leadership mind. It means establishing a corporate environment where developing the leadership mind is modeled, expected, and facilitated. Here there can be no compromise.

It would be a mistake to understand this statement as implying a narrow concern with the technology of management or technical proficiency in people skills, for to develop and motivate quality in people means to touch their depth, to sensitize their hearts, to unleash their creativity, and to challenge their character. It means to reach the human core. The leader's transformation must occur not at the level of skills but in the nature of the person.

To speak of the human core is to go beyond questions of technique to fundamental questions of philosophy. And here we come to one of the basic assumptions of this book: what business needs today is a deeper—that is, philosophical—grasp of leadership issues. Unleashing productivity of all sorts, not merely in technology and manufacturing, requires the full unleashing of all the leadership dimensions of the human soul. Lest this seem too far afield from the issues of survival and organizational effectiveness, consider the widespread problems of personal despair, job dissatisfaction, depression, lack of fulfillment, unhappiness, and burnout. Casualties abound, although the sufferers are not always clear that it is they who are the victims. The causes include career-family conflicts, lack of acknowledgment, incongruence between a company's values statement and corporate behavior, and so forth. The ultimate remedy for such profound ills is not in how management redesigns the workplace (although that helps) but in how each individual copes with life's boundary situations—death, destiny, anxiety, dependency, and guilt. That is what, in leadership, is meant by maturity and wisdom. The answers to questions of survival, then, are to be found in developing and universalizing leadership intelligence. Since the days of Socrates, this has been the task of education. Philosophy by itself does not solve problems but instead trains the minds of operations executives to solve the problems.

What differentiates philosophy in business and leadership from other management-development approaches is *depth*: philosophical profundity and wisdom, its commitment to greatness. For example, a high point of the inner-side-of-greatness seminars appears to be the Oracle exercise (mentioned in earlier chapters and discussed in my book *The Heart of Business*), in which participants anonymously raise their overwhelming leadership questions. These questions are then read aloud and discussed. The value of this exercise is both fascination and insight—fascination with the questions of others and insight into one's own deeper self. Why the interest? Because every leader's ultimate question is philosophical. To face it becomes the noblest form of leadership, which is statesmanship. Consider the following two statements by participants in the seminars:

I was thrust into a leadership role at twelve years of age; I did not ask to be a leader, but circumstances dictated its occurrence. My mother, a paranoid schizophrenic, could not perform her normal duties, and my dad was a very weak man incapable of making decisions and leading. From cooking to housecleaning to caring for three younger siblings, I learned strengths of resolve, commitment, sensitivity, frustration, and how to cope. I married at eighteen, had five children by twenty-two, and worked my way through college, committing that I would sacrifice whatever necessary to become successful and be a leader.

As I approach fifty and look back upon those early days and twenty-five-plus years that have since passed, I can feel good about many things: a wonderful wife and five children, all basically responsible and good people; a position of substantial importance. But those successes do not come without a price. Many conflicting demands consume my most precious commodity: time.

My parents are still alive and, as would be expected, consume enormous amounts of time and, more importantly, emotional strength and resolve.

The children, for the most part out of the nest, require special attention to meet their needs.

The workplace continues to challenge with extensive work hours, overseas travel, and weekends away from home.

Health problems of some magnitude have come into our married life.

I have committed my life to being strong, being a leader, taking charge. Clearly, delegation and empowerment can help resolve time constraints at work.

Is it possible to successfully balance all the conflicting demands that a leader encounters and include time for oneself—to fulfill one's own personal needs to grow in different directions?

I have watched for twenty years as various leaders have come and gone in our organization. Some things have changed as each has entered or vacated his or her chair. There has, however, been one enduring theme, and that has been the inability of their subordinates to feel free to be completely frank, open, and honest with them. You might surmise that this is due to fear, a desire to be nice, a wish not to be the bearer of bad tidings, and an intent not to jeopardize one's career.

Whatever, the result has been that the leaders have often not heard the truth, and the rest of the population has not been encouraged to offer it.

What is it that we can engender in our leaders to “demand” honesty and candor, and how do we do it?

## **The Inner-Side-of-Greatness Leadership Challenge**

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Today's leadership must convey a concept that is as simple as it is fundamental: quality products and services must be supported by quality people. Precisely the same meticulous effort and consummate professionalism that companies invest in creating quality products and services must be invested in developing quality people. Companies clearly understand technical solutions, but do they understand that technical solutions are accomplished by people who are human? Frequently, but how much do companies know about what it means to be human? How much professional attention to the purely human do they feel is useful for their own business purposes? How sophisticated, how open, are they in understanding the human? How much does business sabotage its own best interests?

Unless technology and philosophy march hand-in-hand toward the future, there simply will be no future, for current corporations (which within a generation will find a Third World woman as CEO of General Motors) are literally shooting themselves in the foot when they ignore depth in their leadership challenge.

This fundamental principle—the universalization of an inner-sense-of-greatness leadership challenge—is not adequately understood today. In business, we definitely know the meaning of quality products, but we are not yet nearly so committed to a commensurate in-depth understanding of the importance of quality human beings. The management of production is quality in the objective and external world. The equivalent management of people means quality in the subjective and inner world. The same level of technological expertise used to ensure production quality is required for people quality. The weight of this critical point appears to be understood only by the most exceptional, forward-looking executives; yet where people grow, profits grow.

Shown this statement—that quality products and services must be supported by quality people—quite a few executives will say, “This is self-evident.” Yet few meaningful initiatives to implement this idea are ever taken. The future of industry demands employees and managers—white- and blue-collar workers alike—with highly developed character who understand loyalty, promote inventiveness, are at home with change, and are masters in the paradoxical craft of integrating results and heart, and do it for the sake of the growth of their own souls, for personal fulfillment, not because the business threatens them if they fail.

As a rule, the personal side of productivity is not seen as an issue. It is rarely developed systematically. It is always easier to do business as usual (react) than to take the initiative with truly future-oriented people programs (proact). The organization that first breaks through this inner-side-of-greatness barrier will clearly have the competitive advantage as company structures, employee populations, and economic environments change drastically in the coming years.

Breaking through this barrier means learning to combine results with heart. It also means developing an organizational culture of leadership. It means that developing quality people is at the top of the leader’s agenda.

What do we look for in quality people? We look for commitment, which is ownership, loyalty, and the willing assumption of personal responsibility. We look for communication. We look for creativity and initiative. We look for motivation, that is, love and validation.

In general, what does one find upon entering an organization? The average organization is in some sort of pain. It varies from rest-



lessness, uncertainty, and floating anxiety to severe despair. The pain, in its pure form, is not treatable. In some cases, an individual employee destroys the company; in others, a company destroys the individual. Fortunately, it is not difficult to find people who provide insightful diagnoses of organizations' ills. What is less common, however, is to seize the opportunities in diagnoses. Business is the language of effectiveness, of getting things done. Thus, if the environment is polluted, there is a new business opportunity: cleanup. If executive travel makes office work impossible, there emerge enormous new business possibilities for portable offices: cellular telephones, featherweight computers, tiny calculators and copiers, pocket dictating machines, and pint-size faxes. If an organization spends most of its time not on work but on complaining about its neurotic networks, there is the opportunity for releasing the leadership potential, the health, of its employee population. To make these ideas more concrete, let us consider a couple of examples.

## Results Versus Heart

Leadership is the art of combining results and heart. Leadership means getting where you want to go. But leadership is equally concerned with matters of the heart. Human beings have feelings and a sense of worth and destiny. No one can live without self-respect. The balancing of these two needs of leadership is an enduring concern. It represents the conflict between the values of survival and love, between the need for harshness and compassion. It requires hard thoughts about soft subjects.

For example, consider what happens when a company's engineering and sales divisions have diverging interests.

Not so long ago, one of the world's most significant computer hardware manufacturing companies brought out, with much fanfare, a revolutionary new portable personal computer (PC) series. The company bet its future on the new product. It won rave reviews from PC magazine writers. "They've created a total design worthy of Leonardo da Vinci," gushed one. Meanwhile, a respected and influential international PC publication gave the new portable top-of-the-line PC model its coveted and unique "Computer of the Decade" award.

The computer company's top executives, however, were raving mad. The new PC portables had already, in their short lives, encountered

several problems. The intended strength of the product was a demanding strategy: to produce an extraordinarily small, durable computer so powerful that it would not be obsolete for a minimum of five years. It was also to be one-half the weight of the lightest competitive model on the market. All this would be accomplished at a price one-third below the lowest-price competitor. The engineers' promise to top management was that these sophisticated goals could be met on time, and management could be trusted. The company invested heavily. This was to be the company's ultimate profit-making strategy.

The production models, to which the awards were testimony, were superb. But neither costs nor timing measured up to specifications, and with that failure went what top management felt was its fundamental competitive advantage. The engineers said that the definitive competitive advantage was the product's quality. The chief engineer said his team had achieved amazingly low weight, breakthrough computing power, small size, and unquestioned durability. Top management however, supported by marketing and sales, argued that the competitive advantage lay 90 percent in timing, price, and profit margin. The PC's brilliant design and exceptionally high quality notwithstanding, overruns made it more difficult for the company to meet the intense shakeout competition of the portable PC market. The engineers said they had done their best and should have been acknowledged for it. Managers said they were lied to; they needed more reliable engineering support. Adding insult to injury, the top-of-the-line PC, the version named Computer of the Decade, was barely available to consumers at first because of manufacturing problems in producing a complicated key part.

These setbacks led to a very severe tongue-lashing of the company's product-development team by the company's tough top executive, together with all his senior officers. After this humiliating session, plans for an elaborate banquet to celebrate the Computer of the Decade award were summarily canceled. It was a difficult scene, humiliating and disturbing to everyone present. Eventually, the company was embarrassed by the publication, in a business paper with wide circulation, of this outrageous behavior.

The problems were eventually ironed out, and sales turned out to be excellent. The company enhanced its reputation and profits. Nevertheless, the chief engineer's career at the company to which he had devoted his loyalty and his life's profession had ended. Embittered, he resigned. The product's eventual success did not vindicate him for violating his promise to achieve precise results.

This is not a question of right and wrong but of results and heart. The chief engineer's story is repeated hundreds of times daily throughout business organizations in the world.

A lot of people in the company were upset by these events, which left ugly scars. Because much was at stake, commitment had been high. Some were angry because key business targets were not met. Others were deeply hurt because years of hard work, sacrifice, and devotion had been ignored. Both groups have a point, for the question is results versus heart. Results are important. Without them, no company can prosper, and workers have no jobs. But without heart, results simply do not appear. Feelings, loyalties, and the morale of the people are matters of the heart.

This example may be dated, but the emotions it arouses and the business wisdom it embodies are timeless. Which is more important, to punish people for not being fully committed to reaching bottom-line results or to acknowledge them for their loyalty to excellence in product integrity? Leadership is the art of integrating results and heart. How would you have managed such a leadership challenge?

Twenty-five centuries ago, in one of the most celebrated passages from the history of ideas, Plato made reference to the conflict between results and heart—the need for dialogue, synthesis, and integration—in his *Republic*:

Unless either philosophers become kings in their countries or those who are now called kings and rulers come to be sufficiently inspired with a genuine desire for wisdom; unless, that is to say, political power and philosophy meet together, while the many natures who now go their several ways in the one or the other direction are forcibly debarred from doing so, there can be no rest from troubles . . . for states, nor yet, as I believe, for all mankind; nor can this commonwealth which we have imagined ever till then see the light of day and grow to its full stature.

In short, leadership exists only when power and wisdom coincide in one person. The results-versus-heart theme lends itself to a matrix representation (see Figure 7.1).

## **Project Management**

Western industry's answer to the Japanese challenge of the late twentieth century was program or project management. Matrix

**Figure 7.1. Results-Versus-Heart Matrix**

		Power	
		+ Good	- Poor
Heart	+ Good	Leader	Poet
	- Poor	Tyrant	Vegetable

organizations, however, lead to systemic contradictions, to role confusion, to resistance to instructions, to a lessened sense of ownership, and to accountability without authority. The matrix organization demands unprecedented cooperation within today's industries and organizations. If project management (which requires the coupling of collaboration with imagination) is to succeed, the answer lies with the radically alert mind, that is, a mind with a developed leadership intelligence. Studies show that program managers are effective more because of their authentic and dedicated personalities than by virtue of their administrative and engineering skills.

Increasingly, corporations are no longer hierarchical, and there is no longer a sharp division of labor. The organization of today is a flat and flexible coalition (a team), not of workers but of leaders. It can have a coordinator or a facilitator who is also a spokesperson for the group (a transactional leader) or one who gives it direction and enthusiasm (a transformational leader). The status of positions and of jobs has also shifted. Motivations and rewards are different for leaders than they are for workers. Some CEOs are workers, and some laborers are leaders. In the well-led organization, all are mature leaders. The meaning of both work and the corporation must therefore be reinvented or at least redefined. In this new, flat organizational structure, "work" must give way to leadership. To work is to have one task, with instructions, a special turf, and a defined territory. It is to have a clear routine, an

established process, a set way of doing things. Work now, however, is transformed, through a paradigm shift in the mind's thinking, into leadership. Leadership starts with ambiguity, begins with contradictions, goes through total lack of clarity, and must nevertheless end up with results.

Leaders are self-motivated, self-validating, and self-directed, whereas workers need spoonfeeding and parental substitutes. In authentic leadership, autonomy replaces dependency. In the new leadership, demands for individual maturity and responsibility to others are raised to new heights.

Today the team no longer takes care of the individual. On the contrary, the individual is responsible for the harmony and effectiveness of the team. It is the individual who must support the team. The team is no longer a refuge from accountability and personal responsibility, and yet it is now the team that is rewarded, not the individual.

The answer to accountability without authority is more authority. But more authority, in the real world, also means much more accountability, and this means that in the reinvented corporation, your job, your career, and your future are literally on the line with every task you perform. But the rewards—emotional, developmental, and financial—must be commensurate with the increased risk.

All these changes in project or program management are violations of an underlying “psychological contract.” Workers (and students) entered the labor force with expectations, assumptions, and implicit promises that they now consider to have been fundamentally violated. The culture shock requires a basic redefinition of the meaning of work, of cooperation, and even of being human. Few measure up to the task. It is precisely this transformation that today's companies require in order to be competitive. To accomplish that is to lead.

The typical sequence of a project manager's career runs like this: at the outset, the employee is a first-rate line manager. Then the company needs this manager to carry out the project-management work, precisely because this manager is both good and experienced. This assignment is viewed as a sacrifice and accepted mostly for the sake of loyalty to the company. Later, the manager feels abandoned by the company, maybe even punished, for he or she has been held accountable for team results, requiring top management's

support—neither of which was forthcoming. This problem is in the system more than it is the fault of particular individuals. The solution lies with top management, which has the ultimate responsibility to support its own objectives. It also rests with middle management, which must exhibit the breadth of the leadership mind.

In project management, characteristically, the system reinforces the opposite of what it says it wants. Officially, it endorses generalists—people who can take advantage of their broad experience. In fact, however, it rewards specialists, people who put their lifelong focus on only one type of organization. For the nonleader, this paradox is insufferable. For the leader, whose mind is spacious, there is ample room, as the leader's mind thrives on paradox.

Project-management flow charts are complicated. To make them work requires a high sense of personal responsibility for teamwork success—a determined focus on the goals of the company and not on one's personal needs. Systems are always complicated, but attitudes are simple. Systems are lifeless machines, but attitudes are human intelligences. That is why everyone needs to pay attention to the inner side of greatness. For program or project management to succeed, what is needed is not only a better strategy and better organization but also, above all else, managers and employees who are much more mature, intellectually and emotionally.

As we saw in the earlier discussion of the dominant leadership strategies, ethics means, among many things, wisdom. For example, the product-design and product-development division of the Volvo Car Corporation in Gothenburg, Sweden, was confronted with the typical problems of modern high-technology organizations. Program management was introduced. One person became responsible for the total project, a task that cuts across many specialties. This step diminished the traditional significance of the specialties and, as usual, led to many severely bruised egos. Pride, status, habit, territory—all became high-tension factors. Matrix organizations make teamwork very difficult. Adding insult to injury, the critical workers were highly trained scientists and technicians. They demanded, understandably, a flat organization. They were independent people and rather arrogant, often for good reason. Management had the problem of supervising creative individuals. Furthermore, because all of them were highly trained engineers, the importance of human wisdom in the building of sophisticated automobiles was indeed a remote idea.

The two divisions in question were engines and transmissions. The people in engines had the attitude that transmissions were mere afterthoughts to what really mattered—the engine. The people in transmissions felt that they knew their business best and that the people in engines had no place telling them how to build transmissions. These arguments get emotional because they touch the core of the identity of long-term professionals in the engineering skills.

Management wanted to introduce the concept of one single “Powertrain,” that is, engines and transmissions as a single concept. That also meant a major reorganization of traditionally separate lines of authority and responsibility. It was therefore rather surprising when, after a stormy session on how to build teamwork among scientists in a hierarchical organization, the scientists ended up with a remarkable contract among themselves (see Exhibit 7.1). The contract was signed in a public ceremony, framed, and then widely and proudly displayed.

## A Credo

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What is the essential message of philosophy in business, of teaching leadership, and, in particular, of the Leadership Diamond model? First, organizations are successful to the degree that they think and therefore act with leadership greatness (that is, leadership intelligence). They must do so as organizations and as individuals. Leadership greatness applies not only to implementing strategy but to the creation of strategy. Therefore, the challenge to leadership greatness is an organization’s ultimate action tool. Second, the purpose of philosophy in business is to help individuals and organizations find and meet their objectives by challenging and supporting them in their leadership greatness. Third, leadership intelligence is a way of thinking, perceiving, and acting that is different from ordinary modes of consciousness. Fourth, leadership intelligence can be described, taught, and learned. It can be challenged, and it can be supported. Fifth, the how—the methodology—is to train executives to lead by teaching leadership. To teach is systematically to help others learn to think and act as leaders do and to integrate leadership intelligence into the achievement of organizational goals. Sixth, the what—the content—is the Leadership Diamond.

**Exhibit 7.1. Volvo Car Corporation's  
Vision Statement: Powertrain**

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1. I realize that I need to be a member of the Powertrain team, both professionally and personally.
2. To the best of my ability, I will
  - a. support and encourage my colleagues,
  - b. not hesitate to ask for help, and
  - c. be open-minded about accepting advice.
3. I know that we together are committed to develop and optimize competitive Powertrain units according to the goals of the VCC, not discrete engines, transmissions, subsystems, or routines.
4. I am aware that, in order to benefit Powertrain, I will from time to time have to give up my own and my department's interests.  
 These benefits to the whole must be developed and explained—to us and by us—with maximum clarity. The resulting sacrifices deserve understanding and human sensitivity.
5. I will use the Leadership Diamond as our philosophy for developing Powertrain leadership. I will assume the responsibility for taking the necessary follow-up steps.
6. I understand that *being a contributing member of a team requires more than technical competence: it demands, first and foremost, human wisdom*. I intend to act on this insight. And I know that therein lies the competitive advantage of the VCC.

The principal critical success factor in meeting the competitive stresses of today's organizations is to meaningfully challenge organizations to greatness in leadership and then to support them in that leadership greatness. This leads to a set of specific and on-going behaviors, rooted in the depth of the human soul. These actions can ensure that, individually and collectively, organizations think and behave as leaders do.



## CHAPTER 8

# | Developing the Mind

The credo at the end of the preceding chapter suggested that the goal of the Leadership Diamond model is to help organizations think and behave as leaders do. But what does it mean to think and behave as a leader does? How does the Leadership Diamond promote this kind of thinking and behavior?

### **Leaders Think Differently**

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The leadership mind is radically different from the nonleadership mind or from common sense. The difference lies not in quantity but in quality, not in incremental improvements but in paradigm shifts.

I became interested in the leadership mind as a mode of perception different from the ordinary when, several years ago, I participated in a conference for CEOs. The speaker, a psychoanalyst, discussed how the Pentagon was searching for future generals; the armed forces wanted to learn how to identify young people who, in maturity, would make good generals. What kind of mind, if any, could be trusted with the vast destructive powers at the armed forces' command? One answer, it was suggested, rested on how these young people perceived time. Most executives experience time in terms of ten-year frames, which is a maximum. A general's mind, the speaker contended, must, at a minimum, perceive reality in terms of twenty-five-year frames. In other words, a general's mind must have a sense of history. I have met generals at other times. Here are some of their observations.

One general said that you must care; it must hurt in the marrow of your bones if your troops are not properly taken care of. Another

said that you must learn to think the way the enemy does. Still another said (in response to the question, What is your leadership secret?) that, soldier or not, you must have a serious talk with yourself about death. You must make up your mind that there are values more basic than life itself, that it is OK for you to die. In fact, our culture does not teach us how to die, and yet we must all go through it. A final general, a Marine, said that there are only two priorities for soldiering: get the task done, and take care of your troops; nothing else is a matter of any serious consequence. Douglas MacArthur stated it quite simply in his admonition to West Point graduates: "Your job is to win your nation's wars."

You may not agree with the generals. These views may not apply to your leadership situation. Nevertheless, these answers illustrate the fundamental point that the leadership mind thinks differently.

I began to think that leadership in general is not a talent but a much more fundamental phenomenon of character and perception, and I set out to describe it. As I met more and more leaders, I felt that I was able to establish some generalizations. I found that these observations fit nicely into basic philosophic categories of description and explanation of the world and of the person within it. As I fed back to leaders my philosophical observations, what I said appeared to deepen their perception of themselves and increase their effectiveness in motivating people.

Leadership isn't reserved for generals, but the fact remains that leaders think and act differently, and this difference can be described and taught. To draw the picture of the stretched mind of the leader is the goal of the Leadership Diamond model.

Leadership means control over the mind. The authentic leader does not accept the mind as he or she finds it but chooses either to construct or to "wake up to" the leadership mind: an inner space, unified, with room enough for conflict, paradox, and contradiction, committed to greatness in vision, realism, ethics, and courage.

How do you train yourself for a leadership mind-set? For an analogy, we can look at the story of Erik Weihenmayer, who on May 25, 2001, became the first blind person to reach the summit of Mount Everest. Weihenmayer lost his sight at the age of thirteen but went on to become an accomplished climber and mountaineer. He had already reached the summits of Denali and Kilimanjaro, among others, before the Everest expedition. On Everest,

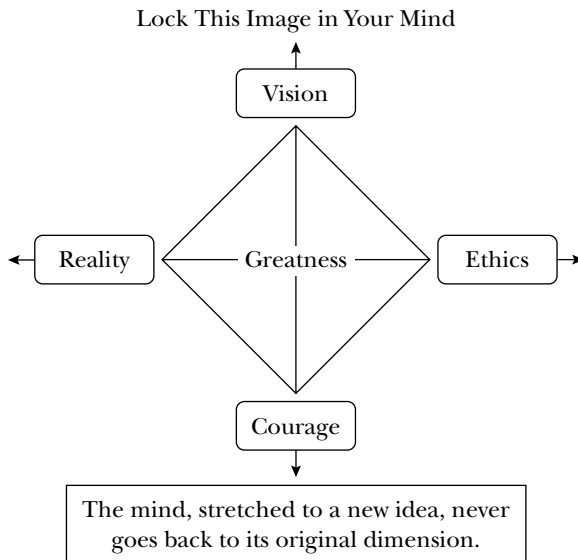
he was a fully participating member of the ascent team. “I wasn’t going to be carried to the top and spiked like a football,” he said (Greenfield, 2001).

I don’t climb to prove anything to anybody. I climb because each time I experience a new adventure I learn something valuable about my surroundings and about myself, and each time I push myself a notch further than I thought I could. On [a climb], I won’t have the option of backing down. I’ll be ready, perhaps only because I’ll have to be ready. That’s the way it always seems to work. [“Erik Weihenmayer,” 1996]

## Stretched Versus Collapsed Leadership Minds

The Leadership Diamond model is the basic tool for training the leadership mind in leadership intelligence, for releasing leadership power and creativity in managers and employees. Let us take another look at the model, which appears in Figure 8.1, with attention to its center.

**Figure 8.1. The Leadership Diamond Model (1)**

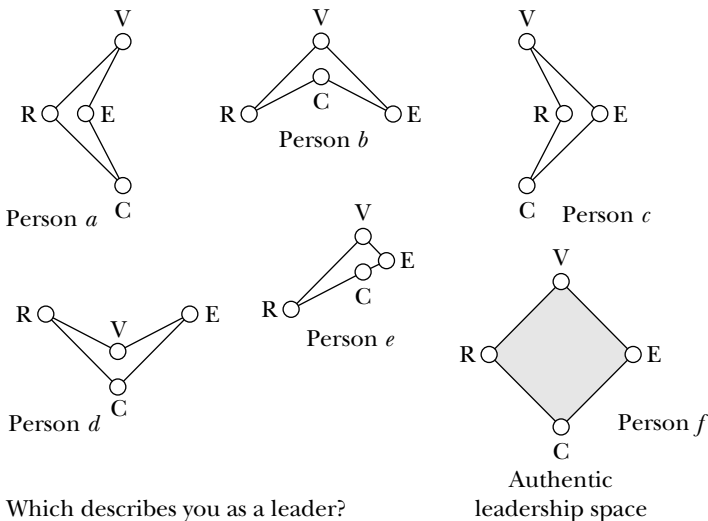


Greatness lies at the center of the Diamond, because leadership means greatness first of all. The space it inhabits results from the simultaneous activation of the four dominant strategies or dimensions of leadership: *vision, reality, ethics, and courage*. These four points on the compass of the leadership mind keep it stretched; their tension creates an arena that makes room for contradictory ideas and conflicting emotions.

The greater the space thus created, the better the leadership. If even one strategy is dysfunctional, however, the amplitude of the space in the mind of the leader collapses. Hitler may have had vision, realism, and courage but he certainly had no ethics. The result: his was a collapsed leadership mind (see Figure 8.2). John Doe may have vision, a sense of reality, and high morals, but because he has no courage, his is a collapsed leadership mind as well.

The concept of the collapsed leadership mind is important. Each strategy is like a resource. They are all needed, although not to the same degree in all circumstances. In an emergency, realism may be more important than vision; in great sorrow, ethics may be more important than vision; and so forth. As a rule, however, leadership means actualizing all four strategies. Problems, more often than not, are the result of neglecting one of the corners of the Dia-

**Figure 8.2. The Leadership Diamond Model (2)**



mond. In that case, solving the problem consists in building up the deficit or leverage corner. It will become immediately obvious that this is the way to work smarter rather than harder. If the business's bottom line is weak, more realism may not make as much of a difference as more vision would. Problems with planning will not be resolved with more plans but with more courage.

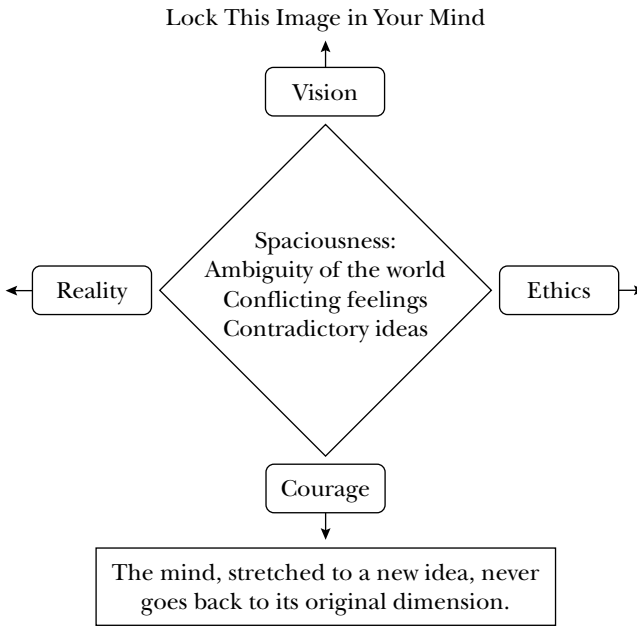
- Person *f* in Figure 8.2 represents the ideal.
- Person *b* has great visions, collects endless facts, and is a nice guy. But when it comes to courage—to initiative, to taking action—this person is on vacation!
- Person *c* should concern you. This person is friendly enough and, unfortunately, also courageous. However, because he or she has no sense of reality, this individual is also dangerous. In fact, this is the one who spends all your money!
- Person *a* is, practically speaking, an s.o.b. This person has great vision, is relentlessly pragmatic, but when it comes to people—what are they? People are numbers, objects, instruments, things, not souls and centers of feelings.
- Person *e* is in too much trouble to benefit from further discussion.
- Person *d* has the courage, the team spirit, and the facts for leadership but does not know where he or she is going! Complaints against this kind of a boss or organization are the most frequent.

The space created by the conflicting stresses of the four Diamond points helps the leadership mind succeed even in fog and chaos. The spaciousness means being comfortable with ambiguity, or finding greatness within ambiguity. The leadership mind contains within its space conflicting thoughts and opposing emotions, incompatible attitudes and polarized belief systems, as shown in Figure 8.3.

## The Spaciousness of the Leadership Mind

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The Leadership Diamond is a symbol of *spaciousness*. The leadership mind is spacious, comfortably embracing paradoxes and contradictions, polarities and ambiguities, conflicts and incompatibilities. The leadership mind holds many thoughts and attitudes at once. Specifically, the leadership mind is not troubled by contradictory

**Figure 8.3. The Leadership Diamond Model (2)**

ideas. The physicist Nils Bohr is reputed to have said that the opposite of a great idea is another great idea. In youth, we may believe that the truth is simple, that complex questions have but one simple answer. As we mature, we realize that consistency is a mind-set that may be very important but that does not correspond to all realities. Leadership requires a mind-set in which ideas compete democratically, where opposing ideas can be friends and get a safe hearing.

The same is true of emotions. Emotions conflict, but they can coexist as well. We love and are angry at one and the same time. We are attracted and repelled at one and the same time and by the same person. The leadership mind is generous, and a generous mind can compassionately entertain emotions that appear to be mutually exclusive.

It all adds up to the ambiguity of the world. The world is susceptible to many interpretations, several of which may be correct.

Some are simpler than others. When we question the world and ask it to reveal its secrets, we get many answers. These are known as myths, cultures, worldviews, belief systems, metaphysics, world designs; they all serve a purpose. If there is one thing that philosophy teaches, it is that the world has many explanations, and they can live with each other.

Science and religion may not be compatible, nor can we say that one is right and the other wrong. Both reflect reality but with a different emphasis. Economic and political theories conflict. Rather than argue that one is right and the other wrong, it is often possible to realize that they represent different perceptions of a single reality. The perceptions differ because the values we wish to extract from reality may differ. This is known as the pragmatic theory of truth. There comes a time when one must take a stand, but that need not be done precipitately or prematurely.

The leadership mind understands and is fully adapted to the fact that the real world is ambiguous. The leadership mind is spacious enough to accommodate conflicting emotions and feelings, as well as contradictory concepts. Being comfortable with polarization, paradox, and dialectical interactions—in the world, emotions, and ideas—is the hallmark of the spacious leadership mind. Because authentic leadership is needed mainly in conditions of chaos, we can call leadership the Hydra phenomenon (you may recall Hercules' confrontation with the snake; each time he cut off its head, it grew two new ones). The challenge of leadership is to cope with intense and (for most people) essentially unmanageable frustration.

What does the spaciousness of the leadership mind mean besides openness to contradictory ideas, to conflicting emotions, and to the ambiguities of the world? It means the willingness and the capacity to learn—to know the joy of learning, the youthfulness that comes with ceaseless learning. For example, imagine a CEO-owner who has been very successful in building a multimillion-dollar business. Now several conditions impede further progress. The members of the company's executive committee feel secure and no longer exhibit the leadership required to deal with an expanding company. The owner knows little about the stock market and other matters regarding financial markets, for going public or leveraging his big investment is not something he takes seriously.

He wants to leave his growing business to his son. That strategy may not be viable in the current competitive climate. He understands that his business, in its present form, will last no more than ten years, and that is a maximum. Major changes are needed. And his son, who is still very young, may inherit an albatross instead of a thriving enterprise. Leadership, for this executive, rests squarely on his ability to learn, to understand what he does not know and then learn it. The open mind learns constantly, for it has learned how to learn, and it gains pleasure, joy, meaning, and fulfillment from learning. Specifically, the learner knows what he or she does not know, knows how to find out, has the will to do it, and gains energy from learning.

The space of the leadership mind is kept distended, as we have seen, through the centrifugal tension of all four Diamond points, which, like springs, push in opposite directions. The leadership mind is defined by all the points on the compass: each one is independent; together they create one geographic field.

The four Diamond points are not connected by a common thread. They are independent variables, like factors in a statistical analysis. Think of a juggler handling four balls or of four crewmen on a yacht performing different tasks for one winning team. Think of a string quartet—each voice different, yet one piece of music—or of a cantata, where soprano, alto, tenor, and bass sing different notes and beat contrasting rhythms, all for the sake of one expansive harmony.

## **Polarity and the Leadership Mind**

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Reality is polarized, as symbolized by the spaciousness of the Leadership Diamond itself. That is a general philosophical description of the very essence of reality. Polarity is the yin-yang principle: everything has its opposite, its counterpart; nothing is either black or white. For every masculine trait there is a feminine counterpart; opposed to matter there is antimatter. For every right there is a contradiction that is also right. Everything of beauty has its flaw, and all that is flawed has its aspect of beauty. Leadership means coping in that kind of world—a world where answers are actions, decisions, commitments, and risks, not the unambiguous conclusions of mathematical calculations.



Polarity leads to some highly practical rules for the conduct of leadership life. Hackneyed phrases may serve us best: “What goes up must come down,” to which one must add, “What goes down will go up.” And no matter how well prepared you are, “Life will always surprise you.” Just look at any newspaper, virtually any day; what sells newspapers is precisely these surprises. In politics, there always arise developments that are unexpected, unpredictable, inconceivable. The positive and the negative always go together. Expect failure while you are in the middle of success, but expect success when in the depths of failure. Business planning must always be cognizant of this metaphysical principle of the universe.

There is no clearer example than the events of 9/11, but there are many additional examples. In 1989, while *glasnost* and *perestroika* were in full swing, there were riots and demonstrations for democracy in Poland, Hungary, East Germany, Estonia, and Czechoslovakia. Indeed, the Berlin Wall finally came down toward the end of that year. Further examples include the political changes in South Africa, the invasion in 1990 of Kuwait by Saddam Hussein, and the surprising United Nations reaction.

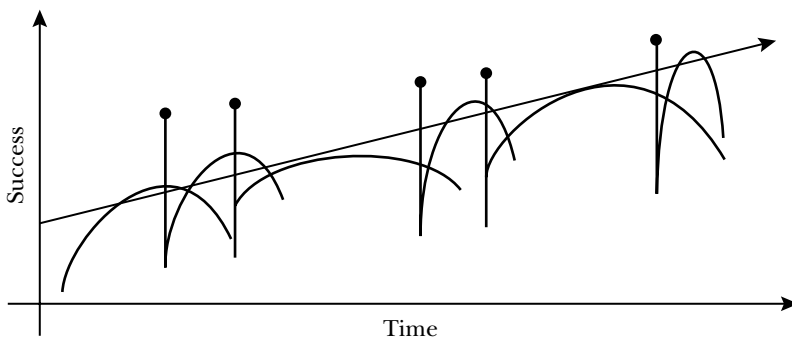
Here is an important practical principle to keep in mind: *authentic leaders make superhuman efforts to be prepared*. When business is good, they make plans for the downturn. Business and politics are a series of overlapping but rising bell curves, that is, they rise if they are well managed. During good times, leaders prepare for new products, new ventures, and restructurings for the inevitable downturn. The width of the curves, from two years to twenty, will also be a surprise. In your leadership, you must factor in the element of surprise, the inevitable disaster, to such a professional degree that the only thing that can surprise you would be the absence of surprises. It is like planning for death; you know it will come, but you never know when. Make your plans, but know that they will fail. Know that specific events will occur and that they are completely unpredictable.

Know that life proceeds in cycles, but know also that the nature of the cycles themselves is unpredictable. Know that the leadership mind, which is a product of revolution, can cope well with these realities. The world is made for the leadership mind. Such realism is a mind-set. It is translated into continuous action. And as the leadership mind acts on these principles, the world responds. It

becomes familiar and congenial. A virtually mystical bond is established between leadership intelligence and the power of the cosmos (see Figure 8.4).

The principle of the pervasiveness of polarity often impresses people with its explanatory power. Most of us feel compelled to choose between opposites. That may sometimes be appropriate. But just as often it may mean we are stuck in a rut. To live in a world of opposites is a transformative step upward, a new way of perceiving an old reality. We do not need to choose. We can be big enough to live in paradoxes. That is an artistic solution, not a scientific one. Consider some common and unresolvable paradoxes: society and the individual, liberty and equality, the masculine and the feminine, mind and matter, justice and forgiveness, art and science, whole and parts, perfection (craft) versus profit (business), vertical management (line responsibility) versus horizontal management (project responsibility), pro-choice versus pro-life advocacy. The realization that no solution is found either in taking a stand on these opposites or in balancing them opens up the possibility of a higher level of perception, which integrates or synthesizes both and renders a fatuous choice between them unnecessary. This is called *maturation*, mellowing. It springs from wisdom. You can live with contradictions because there is room for a democracy of feelings, perceptions, and ideas.

**Figure 8.4. Life as a Series of Cycles**



- Key leadership decision points: the start of new businesses, products, or processes

Although there are contrasts within the spacious leadership mind, the total effect, as in contrapuntal music, is harmony. In other words, the leadership mind is unitary, integrated rather than fragmented. Fragmentation, which is akin to the more serious condition of disintegration, debilitates the mind. Unity, on the contrary, reduces anger and anxiety and releases dormant energy.

## **The Depth of the Leadership Mind**

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We have been talking about the spaciousness of the leadership mind. In this section, we examine some sources of this spaciousness and some further characteristics of the leadership mind.

The serious study of the humanities is neglected in the education of our business and professional people. The application of the humanities to everyday affairs, axiomatic in earlier ages, is today virtually forgotten. For the sake of society as well as of business, this trend must be reversed. Human depth is the key ingredient of success, including success in business and the professions. To fill this vacuum is one of the goals of the Leadership Diamond model.

And what are the humanities? The disciplines that tell us about the human core, the prerequisites for mature leadership, are philosophy, religion, theology, mythology, literature and the arts, and history. We must also mention aspects of the behavioral sciences, ranging from psychiatry to anthropology and from medicine to sociology.

The Leadership Diamond is differentiated from other leadership approaches in that it is based in part on philosophic insight and wisdom. Philosophy is the world's oldest science. Today's proliferating leadership techniques are adjuncts to the tradition of philosophy.

Why philosophy? Because of its depth. We are concerned not with skills but with the seat of the self, the foundation of the soul. Character means depth, not technique. Integrity means substance, not form. In our business affairs, we must allow our consciences to call us back to the things that matter most.

A corollary to the model's dependence on the humanities is the focus on education, which is increasingly becoming a function of business. Our colleges and universities, said a well-known CEO

recently, are delivering “defective products.” Peter Drucker has frequently asserted that a company is to be measured by the extent and quality of its training. Education for leadership is comprehensive. It excludes nothing but must be grounded in a heavy dose of the humanities and the liberal arts.

The leadership mind is awake. It is alert, conscious, aware, in touch with reality (both internal and external), proactive, autonomous, brilliant, energetic, and sharp. The leadership mind is never in a trance, nor is it purely reactive, passive, dependent, or dull. The specific business implication is that the leadership intelligence is always conscious of the pervasive need for marketing (each employee must earn for the company at least twice what he or she expects to get paid, that is, believes he or she is worth—after overhead). The leadership mind always engages in CEO- or chairman-level thinking. It knows and cares about the total business, not just its small turf. It never says, “I just mind my own business,” “I do what I’m told,” or “This is not my area.” Always ask whether your work can be replaced by automation. If the answer is yes, then you are not doing a leadership job. Only when the answer is no are you a leadership mind.

A leadership mind is characterized by hope. The world is full of frustrations. They produce stress, which can be healthful, but too much frustration leads to despair. People give up. That is depression. What is needed is hope, the realistic perception that there is a way out, that there is a future, that there is a solution. Others manage, and so can you. You have a right to feel good about yourself. That is why you need hope. But the hope must be realistic. It must work. It cannot be a manic delusion. The line is thin. Making the distinction between a manic-depressive personality and an authentically hopeful one is an art, not a science. But so is leadership an art, not a science.

The leader has the capacity and the will to take charge of generating hope. Two phrases coined by Warren Bennis are applicable here: “Managers do things right; leaders do the right thing” and “Managers drain energy away from organizations; leaders infuse energy into organizations.” In practice, this means that (for example) you frame your meetings (begin and end them) with images of greatness in leadership intelligence and that you accept no less than peak leadership performance from yourself and your team.

The leadership mind is the key to mental and physical health. Indeed, the leadership mind can be described as a hardy personality. In the successful struggle against diseases of stress and of the immune system (cardiovascular problems, cancer, colds, lupus, arthritis), the key may be here, in the leadership mind.

What makes for a healthy body, for effective protection against disease? Many researchers believe that physical health depends, at least in part, on how you cope with your psychosocial life problems (a theory developed in a discipline known as psychoneuroimmunology). Leadership intelligence, with its emphasis on full self-disclosure, freedom, autonomy, encounter, and respect for the existential crisis, tries to teach the precise mind-set that makes for a sound mind in a sound body.

The Leadership Diamond theory, especially at the philosophical and breakthrough levels, addresses itself to the mind-set required to achieve psychosomatic health. To be a leader may ultimately mean to be in command of your own immune system. Major institutions, including the National Institutes of Health (NIH), are financing research in psychoneuroimmunology. Indeed, in the mid-1990s, the U.S. Congress established the Office of Behavioral and Social Sciences Research (OBSSR) within the NIH “in recognition of the key role that behavioral and social factors often play in illness and health” (National Institutes of Health, 2002).

Early findings in psychoneuroimmunology included the following, as reported by the *International Herald Tribune* (April 21, 1989, pp. 1, 6):

- The immune system may be strengthened by mild stress and the excitement of living at a mildly hectic pace.
- The relief and challenge of confronting traumatic memories has salutary effects. Research found that the exploration of deeply upsetting episodes in a person’s life that goes on during psychotherapy may have direct benefits for the immune system. Writing about upsetting topics, which many research subjects had never discussed with anyone, led to a significant increase in the level of T cells, which fight infection and virus.
- Cancer patients coached in defeating pessimism and self-defeating beliefs and in learning to look at life with more

optimism had more active natural-killer cells, which protect the body against tumor growth, than did patients who received only standard medical care.

- Men in a program that combined aerobics and relaxation, combined with other training in managing stress, showed an increase of 10 to 14 percent in T-4 cells, which fall as infection with the AIDS virus progresses. Earlier studies have found benefits for the immune system from such practices as exercise, relaxation, and laughter.

Bill Moyers' popular book *Healing and the Mind* (1993) explores this and related areas, and Norman Cousins' *Anatomy of an Illness* (1979), in which he describes literally laughing himself back to health from an incurable illness, is an extraordinary illustration of the powers of authentic leadership thinking and acting over physical disease.

The tie between the Leadership Diamond theory and all this is not causal. Medicine has not found a precise answer to the question of exactly what mind-set is correlated with physical health. I propose here that the answer is found in the kind of thinking reflected in the philosophical level of tactics characterizing leadership intelligence. A developed leadership mind is more intimately connected with first-class physical health than with any other trait. But leadership is more difficult to measure than ordinary personality characteristics, for leadership follows from the resolute will and the awakened mind, rather than from measurable behavior and responses to a psychometric instrument. The reason for this claim lies in an understanding of the meaning of human freedom. Freedom is a nonnatural, nonscientific, nonbiological reality. Freedom connects us with our subjective reality—one not measurable by scientific instruments. But that freedom is also the source of consciousness and of life, and it has become more or less accepted that mental and physical health arise as a result of integrating the material world of objects, susceptible to scientific assessment, with the subjective world of our will and our imagination.

Effective leadership springs from the unconscious, which is also the source of creativity. The unconscious is the body's silent voice, speaking from the wisdom gleaned from billions of years of experience. Transformational leaders inspire, mostly through what they

are in their depth and not by virtue of calculations, which are of rather late evolution in the brain. The unconscious responds to strong images as if they were realities. Consequently, a strong vision of the leadership mind becomes a lasting imprint on the unconscious. Your world then reflects the new programs in your unconscious. Herein lies the power of the Leadership Diamond model.

A number of separate points need to be recorded here before we move on to the next major issue. First, to activate your leadership intelligence and make it permanent does not require work or effort; on the contrary. As in a nuclear reaction, it releases dormant energy. Second, leadership is added value to yourself. You become a leader because you have a deep personal need for it, not because the company's stock value or the national economy depends on it. Third, what happens under stress? What happens to the Leadership Diamond mind-set when you meet a serious crisis that undermines your values and disorganizes your world? The Leadership Diamond must be useful not only in happiness and peace but also and especially when the world you know is shattered. Times of distress are when the greatness-in-leadership challenge is most sorely needed. The leadership challenge is particularly important during hard times. When companies are wealthy, they say they want to set up leadership programs to steel themselves for the tougher times to come, but the bureaucracy often drags its feet so that not much of significance happens. When hard times finally come, as they always do, leadership programs are cut as cost reduction emerges as the top priority. But the opposite would make sense: when the patient is sick, medicine is the most serious need.

## **Training the Leadership Mind**

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The leadership mind is democratic, not elitist. Everyone is capable of leadership, and everyone needs it. A well-led organization consists of nothing but leaders. This is a short point long on significance, and it leads us to the consideration of the teachability of leadership.

Leadership is teachable. Leadership can be facilitated, or it can be challenged into existence, as in the Socratic method. Some say that leadership cannot be taught but that it can only be learned.

Plato wrote that human beings are born with wisdom. Teachers do not tell anything new to their students, because the knowledge exists already, pregnant within them. Instead, the authentic teacher helps the truth to be born. The teacher facilitates, challenges—in short, empowers—a point to which we will return later.

That the leadership mind can and should be taught may be one of the most significant contributions of philosophy to the community of executives. It is not only that leaders with responsibility must be taught leadership; they must also, if they can, do the teaching. The young now starting in business, government, and the professions—the leaders of the future—must be taught the leadership mind so that they can make their contributions to society. And teaching means challenging, provoking people to bring out their best, motivating them to be all they can be.

In sum, no one should think of himself or herself as a born leader. Leadership ability, skill, and even charisma can be acquired and, if already present, can be improved and put to more effective use. Consequently, everyone can become a leader. Leadership, by distributing responsibility and according the highest respect to every person, is the fulfillment of the democratic ideal. In a well-managed organization, everyone is challenged to CEO- or chairman-level thinking. Three demanding steps are required, however: (1) choose to be a leadership mind; (2) train to be a leadership mind, preferably with a mentor (who, ideally, will be your boss or supervisor); and (3) grasp the obstacles, resistances, and defenses that inhibit the release of leadership energy.

Theoretically speaking, then, leadership is for everyone. In practice, however, only a few understand it, and even fewer choose it. Having chosen to study this material, you have preselected yourself as a leader.

What ordinarily happens is that individuals are promoted to leadership from nonleadership positions that require technological, not managerial, expertise. Good lawyers, good financial people, high-quality engineers and mathematicians, and superior biological scientists eventually become scions of industry. Promotions to leadership positions are not necessarily upward moves but may be lateral shifts. Eventually, even the greatest technical expert will know less than the people over whom he or she has been promoted. It then becomes clear that leadership is a *sui generis* calling

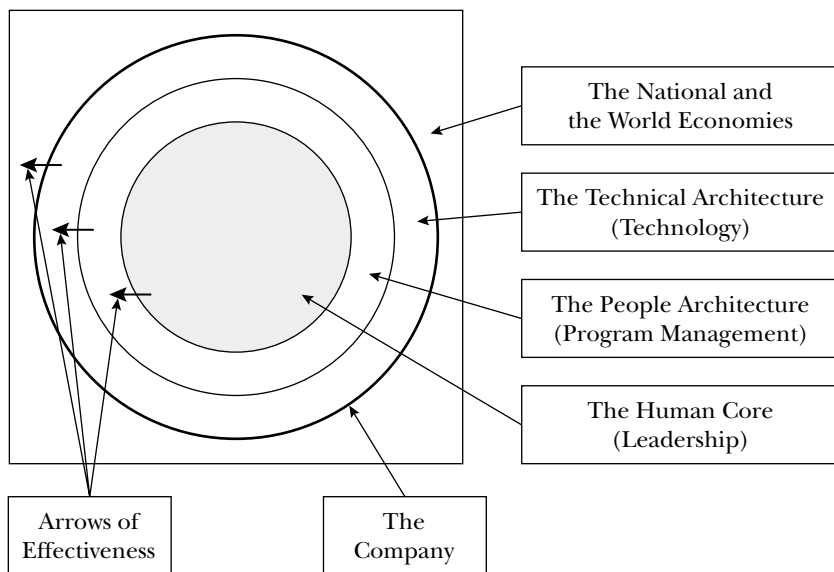


even more than it is a profession. It is different in kind from positions in which technical competence is required. Engineering, chemistry, law, medicine, finance, and teaching are taught; leadership is not. In management, that situation leads to a leadership vacuum. We must not only start teaching leadership but we must *manage* by teaching leadership.

Leadership is taught by releasing leadership energy, by helping others learn to lead. But understanding leadership does more. It helps you recognize leaders, helps you select those whom you wish to cultivate. Furthermore, the world will in time demand that you be proficient in all of the leadership dimensions. You have no option other than to respond by leading.

Another point worth emphasizing is that operational problems are best managed by training the minds of operations executives. This means training for leadership intelligence and challenging leaders to their inner side of greatness. Developing leadership intelligence is a high-level solution to technical and operational problems. Coaching in the *personal* side of quality, competitiveness, productivity, company survival, restructuring, and organizational effectiveness is the missing link in making strategies work.

Your company may have state-of-the-art technology (which, in Leadership Diamond theory, is called the *technical architecture* of a company). Your company may also have the streamlined organization to match it (which Leadership Diamond theory calls the *people architecture*), but if inadequate attention is paid to human issues, to the inner side of greatness (what Leadership Diamond theory calls the *human core of a company*), even enormous expenditures will avail you little. Effectiveness starts at the center and moves outward. The human core influences the quality of the people architecture, the systems by which organizations work. The people architecture, in turn, influences the quality of the technical work of a company, the products and services produced and developed. And the technical architecture—the buildings, the factories, the technology, the production processes—shows itself to the world, affects the national and global economies. These are the “arrows of effectiveness” (see Figure 8.5). Without caring attention to the human core, an organization’s people architecture is not of significant value. In Leadership Diamond theory, this principle is considered to be a root fact.

**Figure 8.5. The Positioning of Leadership Intelligence**

In other words, most practical problems in business (What is our marketing plan for our next acquisition? How can we reverse the deterioration of quality production at the plant?) have one answer: leadership (that is, challenging and training the leadership mind). That may sound simplistic, but in practice it is a real solution because we know how to develop leadership intelligence. It works. It gets results.

As organizations have become flatter, more responsibility has fallen on what used to be the lower levels of management. Speed has also become a critical success factor. Shortly after Jack Welch retired from his position as CEO of General Electric, he was asked by *Fortune* magazine what had been the biggest change in business during his time as CEO. “By far, speed,” he replied. “How fast you can adapt your goals is the main measure of what kind of company you’ve got. So you’ve got to be getting people to relish change. You’ve got to talk about change every second of the day” (Colvin, Kirkland, & Welch, 2001, p. 29).

Mistakes are costly. The answer is management that is better trained in strategic thinking and in other tactics of the leadership

mind. The more I travel around the world and talk with recognized leaders, the more I see the deep truth of this position confirmed. And it is good news, for companies are people-driven, and attention to the personal side of human existence is recognized as leading to win-win solutions to bottom-line business problems.

Effective organizations understand teamwork. This means that in effective organizations, every individual takes responsibility for the total group. In this connection, there are two quick measures of how well managed a company is. First, are the teams acting as teams? Do we find in the teams a combination of individual initiative and commitment to the success of others? Second, does every employee know and care about what goes on elsewhere in the organization? Does the bank teller know the history of the bank? Does the cardiology nurse understand the psychiatric services of the hospital? Both measures can show proof of ownership, that is, of personal interest in and responsibility for the total business. These two are necessary but not sufficient success measures.

## Teaching Authentic Leadership

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Reactions to an inner-sense-of-greatness leadership challenge tend to be strong. Some individuals are enthusiastic and find it to be exactly what is needed. Others see it as irrelevant at best, interfering and offensive at worst. A common reaction is, “This subject matter is deep. How do I use it? How do I make it operational? How do I make it work for one thousand people?”

In the following chapters, we embark on a discussion of how to apply Leadership Diamond theory. But the overall answer is that greatness in leadership consists in teaching leadership to others, in creating a teaching chain. Teaching, as we have seen, involves empowerment. This idea comes from the first teacher of Western civilization, Plato’s own mentor, Socrates. Let us look at teaching leadership more closely.

To *empower* (E) means to release the volcanic energy and creativity in employees. Specifically, it means to challenge them to *autonomy* (A)—to taking full responsibility. Expect them to be adults. Challenge them to understand the meaning of human freedom, the importance of initiative, and the “meaty” realism that arises from their knowing that nothing happens unless they make it happen. It is to give them *direction* (D)—that is, goals. And then it

means to *support* (S) them, to validate who they are. Give them attention and care. Know what they are doing, and let them know that their efforts are important to you. The leadership teaching or empowerment formula is, therefore, as follows:

$$E = A \times D \times S$$

We multiply the leadership virtues with each other to show that a zero (0) in one gives you a product of zero (0). All three—autonomy, direction, and support—are essential for empowerment to take place. To forget one is to invalidate the entire process. The precise structure of the empowered mind is described by the Leadership Diamond. It can be enhanced, even acquired. That is good news, and very practical.

Executives must train themselves and others in the leadership mind and leadership intelligence. They need to open themselves to all the mind's possibilities. Then they must teach the teaching of leadership to others, for an organization is no better than its weakest leader. The educator Jerome Seymour Bruner writes, "Any subject can be taught effectively in some intellectually honest form to any child at any stage of development."

The fundamental leadership formula, then, is to Teach Others the Teaching of Authentic Leadership (TOTAL)—to empower others and create an empowerment chain. In countries where illiteracy is high, the price for learning how to read is teaching the same to others. So it is with the empowerment chain. And who is to do the teaching? The true teachers must be those persons who are in charge of the organization. The bosses, ideally, should be the teachers.

Teaching is difficult. It can be done best by persons in authority, and it is based mostly on the respect that subordinates have for the honesty and competence of their superiors. You do not sell; you help customers buy. In parallel fashion, you do not teach; you help people learn. And learning must be relevant. It must be quickly integrated, with visible results functioning as rewards in the organization's number-one objectives and the individual's personal fulfillment needs.

The principal and most effective implementation tool is teaching others how to teach greatness in leadership. How do you teach

leadership greatness? The focus is on others, not on you. You challenge people in the organization to leadership greatness—to think and act the way leaders do. You help others learn how to challenge. You release their leadership power and creativity. In other words, you empower people. You reveal to people their own possibilities. You model what it is to think and act as a leader does. You push the greatness-in-leadership challenge down throughout the entire organization. You create a critical mass of leaders, of culture bearers. You evolve an organization where people can legitimately make a commitment, where it makes sense to be loyal. In sum, you must teach people that *they* manage by teaching leadership. As a manager-educator, you achieve your organizational objectives by developing your people into leaders through releasing their inner side of greatness.

The TOTAL formula has important advantages. It is simple. It is practical and easy. It can be learned. It is not arrogant, for it does not presume to teach leadership (as if one knew how) but, rather, to teach how to teach, which is always easier. George Bernard Shaw said, in *Man and Superman*, “Those who can, do, while those who cannot, teach.” But in leadership, doing and teaching are the same. Above all, TOTAL works.

A leader’s responsibility is thus to work and to teach. Working means setting up systems and supervising. Teaching is mentoring and modeling how to lead people, which essentially means developing them. As you rise in levels of management, so will you need to increase teaching over working.

Teaching is transmitting information, through both mind and body. Information has been defined (by Gregory Bateson) as “a difference that makes a difference.” The information in the Leadership Diamond model, its implicit philosophic depth, is “different.” If properly applied, it can make a significant difference in the productivity of your own life and that of your organization.

# Implementing the Leadership Diamond

We now turn to the question of how to implement the Leadership Diamond model. We consider first the operational rules for using the Leadership Diamond, then the individual's own use and development of leadership thinking and tools, and finally the application of the model to organizations.

## Rules for Using the Leadership Diamond

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Once you have diagnosed your leadership style, you have the opportunity to reorganize all the resources or tools in the model to create an ideal profile for your future development as a leader. We must therefore consider the important technique of Diamond reconstruction.

The first element of the Leadership Diamond is to make a commitment, that is, make the resolute, inside-out decision to think and behave as a leader. The second is to use your imagination—maintain permanently before you a lucid and living image of the structure of leadership intelligence. The third is to find your leverage—know your leadership deficits. Do not intensify what you already know how to do. Find the lost parts of your personality, and develop these. Then reconstruct the Diamond by mobilizing the remaining strategies to support leadership healing and growth.

In Part Three, we will consider in detail how to use the Leadership Diamond as a grid for diagnosing individual and organizational leadership situations. At this point, it suffices to see a few illustrations of how the model is operationalized.

One executive wrote the following self-diagnosis:

*Reality* is lowest. I must therefore first review each reality tactic. Am I paying enough attention to *details*? Do I see myself *objectively*? Do I really put *survival* first? Am I in *contact* with what is real, or do I live a life of fantasy? Then I must in general be *more realistic*, which means to focus my *visionary* capabilities on creating better strategies, to know how the *people* in my leadership situation sabotage or support me or are indifferent, and to try to understand why I lack the *courage* to do something about it. What might be the secondary gains?

Another wrote:

Our foreign partners' weak point is *ethics*. The owner talks ethics beautifully, but when it comes to money, he turns into a savage. He doesn't really understand that one must *mean* ethics and not just speak it. My temptation is to give up on the soft side and play hardball, as he does. Authenticity, however, demands that I use my *courage* to insist on ethics as the foundation of business and human relationships—even if, in the process, I risk touching on matters that are culturally sensitive. I must then use my creative and innovative *vision* to build a business relationship truly sensitive to feelings and generously oriented toward service. But I must not be a fool, either. I cannot do bad business or lose my dignity; I must bring in bottom-line results. I must be *realistic*.

Thinking further, it occurs to me that I must remind our partner that we are not only in business but that we are human as well, that principles matter: *integrity* counts; morality is important to us all. Also, we are a *team*. I cannot impose my worldview on him, but I can try to see things his way, give him the benefit of the doubt. I must not dismiss him but must make my own commitment to his success—include him on my team, and ask him to admit me to his team. Unless I reach this deeper understanding with him or at least attempt to do so, my own job is bereft of *meaning*. I am then a materialist and a manipulator, a Machiavellian person, connivingly exploiting other people. The real meaning of life lies in good human relationships, and business must be, at minimum, a good human relationship. Finally, I must conduct myself and my business at a higher level of maturity and civilized behavior, and I must raise him to my level, not go down to his. We are not only in business, we must also *communicate* in depth and speak with compassion—at least make the effort, no matter

how different our backgrounds and our views of the world may be. In this way, my thinking covers all the *tactics* in ethics, since it is in ethics that I feel our partnership is weak.

In short, I must take personal responsibility to initiate reconstructing my partnership to restore to it full ethical responsibility.

It is in ways such as these that the Leadership Diamond can strengthen your leadership thinking and acting. Let us now examine more closely how you can develop your Leadership Diamond tools so that you can use them to fullest effect.

## Sharpening Your Leadership Diamond Tools

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Successful application of the Leadership Diamond model requires succinct images of the leadership mind and practical recommendations on how to develop leadership intelligence. The following steps show what you must consider and the choices you must make to cope with the demands of your leadership life—not in a good way but in a great way.

### Preparation

There are several steps we can take to hone the mind as a way to heighten its capacity to use the Diamond methodology. The first is to select a target.

#### *Selecting a Target*

There are various possibilities. You can examine your own leadership style (recommended as a starting place) or that of your boss, subordinate, colleague, customer, team, division, company, and so on. Or you can consider a specific leadership problem or situation, such as one project or a specific crisis. There may also be other targets that you wish to examine in Leadership Diamond fashion.

#### *Exercising Caution*

Use many or all of the tools, not just one or two. Pay special attention to the critical success factors discussed here and summarized in the Toolbox (see Chapter One). You must also know the Leadership Diamond model.



### *Laying a Foundation*

For the development of a leadership mind, each of the following points must be remembered; each requires careful attention:

1. The Leadership Diamond model must be actualized in all six arenas of life.
2. Leadership intelligence is spacious. It is open to endless novelty and learning.
3. The dominant leadership strategies are all contraries of one another. This is the meaning of polarity. To combine them is an art form.
4. The more difficult the times, the more leadership is needed.
5. The transformation to the leadership mind is radical and likely to be permanent.
6. To think and act as a leader is to be always aware and alert, not asleep or in a trance. There is no routine, no security, no safety.

### *Striving for Greatness*

In general, greatness matters. Executives who cannot relate to this concept will simply not be comfortable in today's demanding leadership climate. Stand up and be counted. Affirm the value of life against the forces of destruction, degradation, and depression. Acknowledge how much we human beings deceive ourselves. We may be conscious, but rarely are we adequately self-conscious. Create solid reasons to be dignified and proud. Encourage religious and esthetic feelings. Discover the sense of the oceanic.

## **Strategies and Tactics**

*Vision* (V), or visioning in general, requires the development of a sense of history. It encompasses the study of futurism, and it demands an ongoing search for innovation. Visioning can be stimulated by reading good science fiction, high-quality utopian works, and all types of history.

*Reason* (r), or reasoning, can be fostered by the study of mathematics, geometry, and theoretical physics; through fun with riddles; and through practice with college-entrance examinations.

*Systems* (s) can be understood through such esoteric subjects as the study of logic, the philosophy of science, the philosophy of language, the theory of numbers, and epistemology (the theory of

knowledge), as well as through such pleasures as chess, bridge, and related intellectual games. Systems thinking is further helped by familiarity with the philosophy of history and the examination of historical trends, the study of political theory, and the study of macroeconomics. Systems thinking can also be encouraged by tracing the development of the great paradigm shifts in science and philosophy such as Descartes' universal and systematic doubt, Copernicus' denial of geocentrism, Newton's theory of gravitation, Einstein's relativity, Freud's unconscious motivation, and Jung's analyses of dreams.

Another way to develop systems and strategic thinking is to concentrate on overarching questions. For example, name the three most fundamental political issues of the day. What is the basic economic issue in today's world? What have been the four most important events in human history? Which two scientific developments in history have had the most impact on future events? What was the most fateful decision you ever made? What was, in your life, the most interesting opportunity that you let go by? On what core myth has your life been constructed? What would be a better myth? If you were married to yourself, how would you describe life with you? Can you imagine what it would feel like to be a dog? An elephant? Life on a planet in another solar system would be totally different from ours. Can you imagine and describe what life forms could be found there? You probably can take a meaningless pattern, like a cloud or the shadow of a tree, and see pictures in it. Can you do the reverse: take a representational painting or a familiar scene and disorganize it into mere lines, shapes, and colors, and see it with no meaning at all? The effect of this kind of thinking is to shake your mind loose to experiment with new patterns of organization. It stimulates systems and strategic thinking.

*Creativity* (cr) is fostered by dream incubation and analysis, by artistic pursuits, and by adopting a positive attitude toward spontaneity and intuition.

*Subjective space-time* (st) can be facilitated by meditation practices, both Eastern and Western, and by making the examination of consciousness a separate and distinct subject of study.

*Reality* (R), or realism, in general, involves making up your mind that you will always be conscious of the market and will know what other people truly think about you. Realism represents the

fundamental category of psychiatric health. You must make the constant and deliberate effort to be in touch with consensual reality and be on guard against the subtleties of self-deception.

*Detail* (d) can be brought about by your insisting on being well organized, making ample use of the latest communications and office technologies, and taking advantage of time-saving systems.

*Objectivity* (o) is promoted if you read daily the newspapers and periodicals that inform you about your business and its world. If you can afford one, hire a briefing officer. You must make the unwavering commitment to keep up-to-date and continually gather wide-ranging information.

*Survival* (s) means that you willingly take the risk to think the way a predatory animal does—a wild animal cornered and fighting for its life. Only then can you fully understand the intensity of survival consciousness required in effective leadership. There is a danger that you will become unpleasant, but don't forget that the authentic leader orchestrates all four dominant leadership strategies, including all the tactics of ethics, not just the realistic tactic of survival.

*Direct contact* (c) means that you continuously make the effort to know your limits, the impenetrable constraints that define the human condition. You open yourself up to your inner voices, and you remind yourself that other people have absolute power over you—power to say yes to you (which is often precisely what you want) or to say no to you (which is often exactly what you do not want). You always seek to know what others, through their body language and their behavior, are expressing and feeling about you. The leader is constantly on guard, to be sure of being in touch with what is real. You can promote that contact by constantly asking for feedback and then listening to what you hear. Direct contact with reality means that you have made the effort to see yourself through the eyes of your boss, your subordinate, your spouse, your child, your parent, your adversary, your enemy—even through the eyes of a foreign culture. You have the courage to consider the possibility that others are right and you are wrong.

*Ethics* (E) means that your consciousness enters into the mind of another and that you perceive the world through those new eyes. You see yourself, not from within yourself but from within the center of another person. The driving force is not self-knowledge,

not reality, but love, and your devotion is to that person. You are motivated to help that person, to be happy for that person, and to grieve if that person grieves. You desire to do that. You get joy from such genuinely innocent commitment to service. When you make up your mind that you are indeed such a caring person, that you want to be such a person, you become such a person. You are finally an ethical leader. Without ethics, there can be no true leadership effectiveness.

*Team* (t) involves making up your mind always to remember what a good team is. In a good team, each person knows the importance of teamwork, and each takes individual responsibility for the team's effectiveness. No one excludes himself or herself from this integrated responsibility. Always to think this, always to remind your colleagues of it, always to act in concert with these two fundamental principles—that is entirely your choice. Here, practice clearly makes perfect.

*Meaning* (m) can be brought about by choosing to be a joyous, energizing, happy, and fulfilled human being. This is a matter of personal decision, deep in your soul; to make that decision is your responsibility, and it is contagious. Meaning is not only a function of your job; it is also a quality of your personality. Decide not to be depressed. Resolve to energize your colleagues. It is up to you. Make it happen. Create meaning around you through the kind of person you have chosen to be. Meaning, for yourself and for others, is in your hands.

*Love* (l) is what you promote by making the distinct decision that support, intimacy, and understanding are nonnegotiable values *everywhere*, including the workplace. Your question is not, "Do they care about me?" but "Do I care about them?" In cultivating this attitude, be alert to self-deception. People project their own hostile feelings onto others, and they disguise their own anger as love. Don't you do it. Be sure that you are not the cause of hostility in others. To have such deep resolve about your commitment to understanding and compassion is a profound mark of leadership.

*Integrity* (i) is a very special virtue. It means that you are motivated by a rational, ethical rule, not by feelings of pleasure and pain or emotions of happiness and fear. To be effective in this supporting leadership tactic, you must resolve to be a fundamentally

different kind of person, an unorthodox individual. A *rule* governs your life, not a feeling. Reason, not emotion, dictates what you do. Justice, not happiness, is your guide. This ethical act rests on a deep and completely voluntary decision, which only you can make and for which you may never be rewarded except by the knowledge that you have become an authentic leader—that, by your choice, you have helped create and sustain civilization itself, joining the moral giants of history.

Reading basic texts on ethics (such as Plato's *Apology*, *Crito*, and *Republic*, Jesus' Sermon on the Mount from the *New Testament*, Epictetus' *Manual*, Marcus Aurelius' *Meditations*, John Stuart Mill's *On Liberty* and *Utilitarianism*, Spinoza's *Ethics*, and Immanuel Kant's *Metaphysic of Morals*) can set clearly before you the significance of integrity and morality for the civilized consciousness of mankind.

*Courage* (C), in general, can be promoted by recognizing that it is the seat of action. To be courageous is to make the decision to enter your body, to enter the world. Courage means taking the leap, making the decision to commit yourself to this world, to take your chances, to risk, to be prepared to die, and to start acting as a leader does—one who takes the gamble to be in charge. You relive the story of Faust, who risked being fully human but endangered thereby the security of his soul. To be a leader is always dangerous. You always risk being wrong. To lead, in the end, is a choice. You must make that choice alone, but you do have the power to make it.

*Product advocacy* (p) can be encouraged by asking Peter Drucker's questions, mentioned earlier: What is your business? What is your product? Who is your customer? What does your customer perceive as value? Repeated iterations of these questions, by yourself and in your teams, can help promote your business in exactly the way you want.

Leadership Diamond technology must be built into every product you produce and every service you offer. You do not sell leadership; you help people buy leadership. Therefore, Leadership Diamond technology must be built into your marketing programs as well. Everyone wants to buy leadership. Because you are an authentic leader, you must benefit your customers. If you do not, drop your business.

*Isolation* (i) can be supported by reference to Biblical statements. We imitate God, in whose image we are made, by saying, “I AM WHO I AM.” Your identity exists in isolation. Be prepared to be yourself, but accept the loneliness. This is an act. You can choose it, and it marks you as a leadership mind.

*Anxiety* (a), as a tactic, means that the authentic leader comes to terms with anxiety, for it is the key to courage. You cope with anxiety, inevitable in leadership, through a decision: you make up your mind to expect pain and value it.

*Free will* (fw) is the most fundamental element of human nature. This freedom is the core of leadership. God’s creation of the world is the highest symbol for taking the initiative. We, who are made in God’s image, are also like that. All tactics and strategies, in the end, are chosen. You are the chooser, the miracle who *can* choose, the mystery of the freedom that makes you great. Do you want to know the ultimate technique for being a great leader? Claim your freedom; make use of the secret miracle that you are—your capacity to choose and to choose freely.

## Critical Success Factors

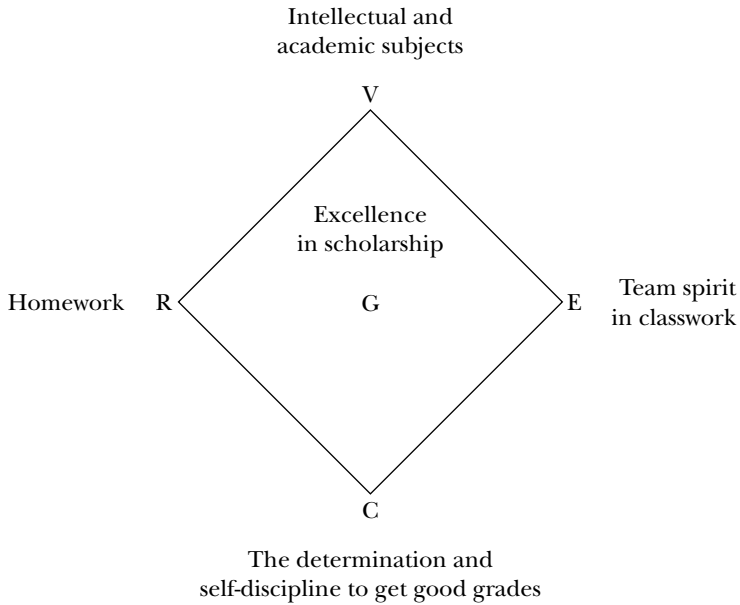
The critical success factors are *systems* (Vs), *survival* (Rs), *team* (Et), and *will power* (Cfw). These supporting tactics, if interlaced, show the highest correlation with actual living, practicing, successful, admired, lionized, written-about, and imitated leaders. If you are more practical than idealistic, these are the tactics on which to concentrate. The more you think like them, and with all of them at once, the greater the probability that life will place you in a position of lucrative leadership. In philosophy, however, we want more than pure pragmatism; we want to fulfill the leadership ideals latent in the perfectibility of human nature.

## Improving Your Leadership Thinking

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How do you improve your leadership thinking? Such questioning must never end, for it is the task of a lifetime. Development can be stimulated in two dimensions: by strategy and by level.

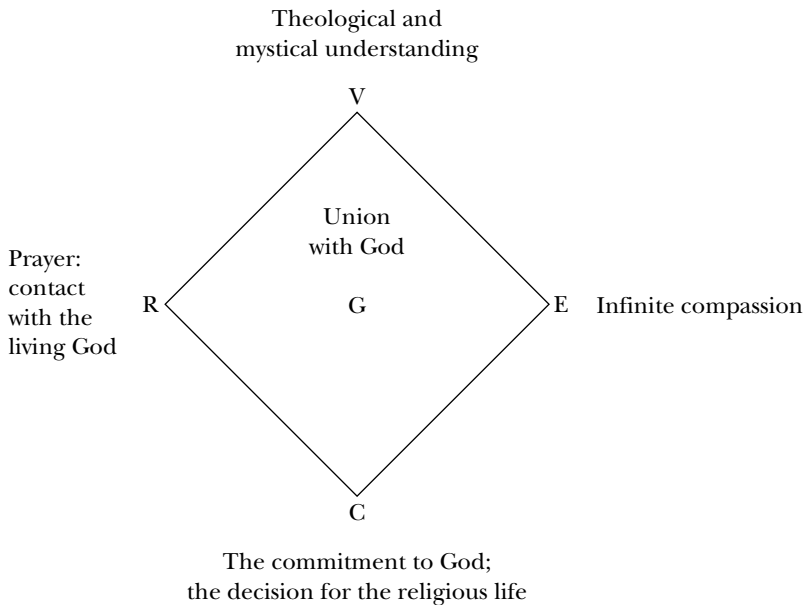
One way to develop leadership intelligence by level, as opposed to by individual strategy, is to direct your energies toward socially

**Figure 9.1. Leadership Intelligence, Development by Level**

accepted and institutionalized programs. For example, the professional level can be developed through traditional academic and intellectual pursuits. In fact, a good, balanced college career, at a minimum, enhances this professional level of the leadership mind. Figure 9.1 illustrates this point.

To take a second example (at the last level, the philosophical), one socially accepted, institutionalized developmental program is the monastery, where life is devoted to the direct experience of the eternal truths (Figure 9.2). Of course, there are also many other paths to the level of philosophical depth. One accepted path is through depth psychotherapy. Others are through the study of philosophy, literature and the other arts, and meditation or with the help of a good friend with whom one can discuss life's eternal questions.

The general principle invoked here for developing leadership intelligence is to go beyond expanding each individual strategy separately. The latter program can and should, of course, be carried out. In developing each strategy in isolation, one could, for

**Figure 9.2. The Religious Order**

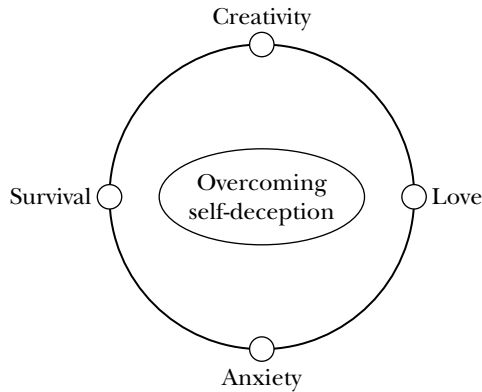
example, set up programs to develop principally vision. In such a case, one would develop a program to enhance theoretical and analytical intelligence, to practice systemic and strategic thinking, to stimulate creativity, and to focus on the exploration of inner consciousness. This type of program makes sense, for it is a rather obvious approach to the development of one strategy of leadership intelligence. This approach uses the principle of leverage.

### **The Atomic Metaphor**

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Perhaps a subtler approach is to view the Leadership Diamond as an atom. The electrons orbit around the nucleus in rings that form levels. There is a quantum leap from one electronic ring to the next. The outermost ring is the circle of tactics making up the professional level: reasoning, detail, teamwork, and product advocacy. The corresponding proton cluster at the center is the equivalent level of greatness—in this case, confronting death and evil, which means to take a stand on the fundamental issues of everyday life.

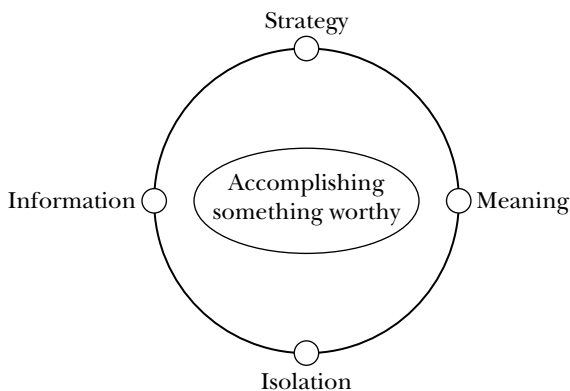


**Figure 9.3. The Third (Psychological) Level**

One then develops the electrons of that ring, all at the same time. This methodology is institutionalized in the concept of a school. Excellence in scholarship is the academic way to confront death and evil, and union with God is the theological way to experience the mystery and the miracle of being.

If we move now to the third level, orbit, or ring—the psychological level—we end up in the field of the emotions (Figure 9.3). These may be touched in a complete program of intensive, in-depth psychotherapy, which is another institutionalized approach to leadership development. The proton cluster, the corresponding element in greatness, is to overcome self-deception. Deep honesty with oneself is encouraged through the self-disclosure of a long-term psychotherapeutic process. Such a process leads to creativity, the unfolding of new realms of being. It promotes survival by coming to terms with the often-risky need to take care of oneself. It opens up the soul to love: how much we need it, how much of it we have missed, and how unconscionably we sabotage it. The entire process is fraught with anxiety, which is nevertheless the deepest source of insight about our true nature.

The second orbit, the social level, can be illustrated by an entrepreneur's establishment of a business (Figure 9.4). The effort requires strategy, data, facts, and information. There must be meaning and significance for all concerned, from the investors to the staff. The product, likewise, must have real meaning to attract

**Figure 9.4. The Second (Social) Level**

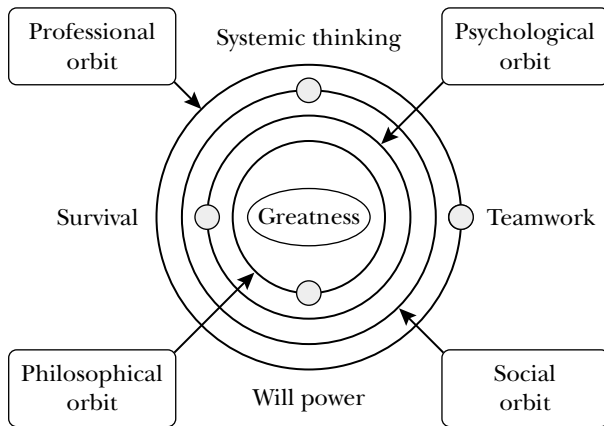
customers. This level requires that the leader be prepared to risk abandonment and isolation, for nothing is more lonely than the life of a dedicated entrepreneur. At the center of it all, like a cluster of protons, is the need to accomplish something dignified and worthy, something to which intelligent men and women can be loyal.

Finally, we come to the critical success factors. They create a “condensed” atom. In this minimalist approach, one electron is selected from each orbit to form a highly effective, hard-hitting, economical atom (see Figure 9.5), with no single corresponding proton cluster in the nucleus. We have here a series of mind-sets that can be promoted with institutionally available processes for the improvement of leadership intelligence, that is, increased effectiveness in leadership thinking and in leadership acting or behavior.

## Applying the Leadership Diamond to Organizations

The leadership challenge can be compressed into six simple questions: Why? How? Who? Which? What? But?

*Why?* Why leadership? A good executive can precisely diagnose the needs of an organization. Whatever the diagnosis, the solution universally requires leadership. It demands that a critical mass of

**Figure 9.5. Critical Success Factors**

the organization think and act as leaders do. Leadership is the principal action tool for implementing organizational objectives.

One can ask a company, "What is your problem?" One gets many answers, many different diagnoses, many different problems. Everyone—individuals as well as organizations—has reasons: the need for more decentralization, for flatter organizations, for more product and service quality, for higher productivity, for greater speed and quality in decision making. Other reasons: the shifting markets, international competition; the need for continuous innovation, for more creativity, for more personal responsibility, for individual autonomy, for more teamwork, for better strategy, and the wish to correct sluggish profits and planning errors and to temper excessive politics. The concerns are multiple, but the solution is always the same: release, among the members of your team, the power for leadership and creativity, for courage and character.

To teach leadership greatness is to help others learn how to think and act as leaders do. It means to challenge their will, to release people's latent greatness and to empower teams for extraordinary accomplishments. That is a service orientation, a commitment to caring, compassion, and love. It is also a challenge to courage and character.

*How?* How is leadership to be instituted? By teaching, by placing the focus on “the other guy”: the participant, the student, customer, or client.

*Who?* Who needs the leadership challenge? Who needs it most? Who is to be taught? Who wants it? Teaching is a form of marketing. You must find your natural markets, and then you must reach them. Who are your allies, and who are your opponents? Who is indifferent? Who are the future leaders? Who are the culture bearers? Make a list of those individuals and teams you decide will be taught, and then outline the strategies you plan to use.

*Which?* Which of the many leadership technologies will you adopt? Philosophy is differentiated by depth, not by technology. Philosophy deals with access to the will required to understand and use all technologies. Technologies are behaviors. They can be imitated. Philosophy describes the universal human condition behind them. That cannot be imitated; it must be understood.

*What?* What, exactly, is leadership? What is to be taught? What will release individuals’ possibilities for power and creativity? One answer is found in the Leadership Diamond model. Leaders think differently, shifting into a gear that many people do not use. They play a tape, insert a program, push a button, press a key that is not available, is unknown, unrecognized, or simply undeveloped in nonleaders. How, for instance, should a general’s mind-set be different from that of a nonleader? A general thinks like the enemy, has a long time frame, cares deeply, and is ready to die.

*But?* But why doesn’t leadership work? Why is skepticism inevitable? What are the obstacles? What is in the way? Resistances to leadership are internal (psychodynamic), external (systemic), and philosophical (existential). Thus there is unfinished childhood business—plain immaturity. There is also the slowness to change of any system, no matter who the people are; this slowness is the radical chasm separating thought from action, idea from reality. This latter obstacle to leadership lies in not knowing, not having fully integrated, the categorical differences between theory and praxis, reflecting and doing, planning and implementing. These pairs of concepts represent two different modes of being, two poles of nature. One can never explain the other. Transformation comes, not through a theoretical insight but through an individual act of courage.

Modern philosophy—influencing psychiatry, psychotherapy, theology, social action, and now business—has insisted that truth is in action (that is, in commitment, risk, and initiative, not in thought or reflection). This step is a transformation of one’s metaphysics. That truth is action has become a central theme in modern thought, expressed in contemporary literature, art, and politics, in liberation movements, in new theories of psychiatry and psychotherapy, and in religion and the social-action gospel. It is found in the popularization of such words as *autonomy* (as opposed to *dependency*), *choice* (as opposed to *fatalism* or *determinism*), *responsibility*, *accountability*, *effectiveness*, and *initiative*. We can, however, be more specific than this, for the challenge to leadership greatness goes through a series of predictable stages, some of which are resistances. Let us examine these stages.

## Stages in Overcoming Resistance

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In a seminar for top management of a major oil company, the ranking member present, a vice president, interrupted my very first words in a day-long seminar for executives with, “Doc, I warn you; our minds are made of reinforced concrete!” In fact, as it turned out, nothing much happened all day to prove him wrong. Nevertheless, trying to save the day, I responded to his opening salvo with this: “Sometimes we must speak from the heart.” The vice president reflected a bit, and, in the spirit of a true oilman, retorted, “The heart . . . is a pump!” That was, in its finest form, the resistance to leadership depth.

We have said that leaders are prepared for every eventuality, and that must include the resistances to be expected when one challenges an organization to leadership greatness. Here are some of the developmental stages we can expect to encounter.

### Stage 1

A need is felt—partly rationally, mostly intuitively—the pressing need to open the organization up to a whole new way of doing business.

## Stage 2

The organization looks for help. Sometimes it searches for a consultant, either an internal or an external one. How the organization makes these requests can vary greatly. The manager may contract for one interview or one presentation or lecture, or the executive may extend the period of inquiry for a very long time, such as a year or more. In that case, the commitment may involve meetings, a series of interviews, and maybe a short introductory seminar. The general needs of executives can be expressed this way: "I want someone to interest my team in a challenge to leadership." Nevertheless, unless there is full and continuous support (or sponsorship) from the final organizational authority, such efforts are likely to lead to erratic results at best.

## Stage 3

Organizational resistances are mobilized. That can happen instantaneously or subtly and gradually.

Executives attempting change in their organizations are likely to encounter several types of sensitive human issues.

### *Wounded Pride*

A characteristic reaction is, in effect, "I (or we) must be the initiator, the author, the agent, the source, not someone perceived as an outsider." This is natural and understandable, but it also comes from a weak, closed, ungenerous mind. These are typical turf issues, concerns with territoriality.

### *Anxiety*

From the security of hard-won answers, organizations are challenged to move on to the insecurity of adventure. Employees experience this as a collision of cultures or of worldviews and as a violation of the psychological contract the company made with them when they were recruited.

### *Homeostasis*

This is preservation of the status quo, the tendency of a system to defend itself against attack by becoming rigid. It is no one's fault. Individuals give lip service to the leadership challenge and may

even support it. But the collectivity of individuals, beyond logic, works its way through the system and brings change to a halt. The system's powerful resistance to change acts like a psychoneurosis. Like a stupid rhinoceros, smashing endlessly against the iron bars of its cage, it bloodies itself out of antediluvian instinct, its behavior responding inappropriately to current needs. A system, like a pre-historic animal, does not adapt itself to new realities. Reason has never been tried.

When individuals or organizations recognize that what modern business leadership demands is nothing short of a transformation, culture shock sets in. Leadership is not just more of the same. It is not, strictly speaking, building on what executives already know. It is not more mechanical thinking. It is not instituting new practices, adopting new behaviors, establishing new systems. It is, instead, changing the way we think, even the way we will. For example, it is transforming our perception from "taking a stand is embarrassing" to "taking a stand is natural," from "I cannot manage feeling guilty" to "guilt is the normal feeling following a tough decision." The reaction to culture shock is anger and hostility, expressed by rejecting either the new ideas or the bearer of these ideas.

## Stage 4

Resistance is manifested by a wide range of clever defense strategies. The first step in managing them is to name them. Some typical defenses are silence, boredom, indifference, sleep, inaction, embarrassment at valuing personal support, always having something else to do that interferes, living in crisis rather than in a planned atmosphere, accusations of triviality, accusations of impracticality, lack of seriousness, no interest in thinking about leading, excessive expectations followed by predictable disappointment, indefinite postponements and procrastinations, deliberate political sabotage, cynical manipulation and maneuvering, ignoring that solutions are in personal actions and not in abstract knowledge, and thinly disguised hostility. All these strategies for resistance can be rationalized and legitimized by intellectual objectivity. A full calendar gives the illusion of control. Reactive behavior is camouflaged as proactive leadership.

## Stage 5

These strategies of resistance are verbalized in typical ways:

This is dangerous, anarchist.

We don't need lectures, only discussions among ourselves.

This is superficial, obvious, trivial.

How do I apply it—*tomorrow*?

I can't figure out how to make it operational.

You can't teach leadership.

The timing is not right.

Define your terms.

Too abstract.

How do you make these ideas work for one thousand people?

I can't relate to it.

I'm on overload.

The language is too esoteric.

I'm a pragmatist.

Subsidized therapy!

I'm here because my boss sent me.

I really can't see any particular use for this.

My customers won't buy it.

We have these types of meetings all the time, but nothing ever changes around here.

I must go back to work now.

How do you make these platitudes operational?

Sometimes there is just a blank stare. Many of these statements are simply the culture speaking through its willing, passive, unconscious agents.

## Stage 6

Recognize that resistance is normal and a controllable interference with the growth process. Those issuing the challenge to leadership greatness must realize that resistance is necessary and under-



standable. The characteristic strategies used are projection, displacement (which can be somatic), denial, numbing, and sublimation. Resistances must be treated with patience and understanding, with compassion and humility, with respect but also with uncompromising realism. Sufficient ventilation of the resistances gets to root causes. Once we know what we are up against, we can begin to deal with it.

## Stage 7

The demand that words become operational is thoroughly legitimate. In fact, taken at face value, it is the only legitimate demand. Leadership is nothing if it is not made concrete in the workings of a business. Leadership means nothing if it does not translate itself powerfully to the bottom line. But the demand to operationalize can also be narrow, hostile, and destructive, immobilizing necessary change. All relationships are dialogic, and if one party to a dialogue withdraws, progress stops. This is something for organizations to consider in engaging consultants. For organizations to get the most benefit from consulting, there must be an alliance between client and consultant. Both must be seen as working on the same project. Both must have an investment in identical goals, and there can be no hidden agendas. What bonds an organization with the consultant is the needs of the organization. What unifies them is whatever is the right thing to do for the success of the company. No one is selling, and no one is buying. The pair exists in an alliance and shares a single focus.

The demand to make the leadership mind operational, to the degree that such a request is inauthentic, has many responses:

- Saying the demand is irrelevant: insight is enough; once you understand, you will act; what matters is your mental attitude; you are bright enough to figure out for yourself what you must do. No one else can or should do it for you. Your struggle was not in action but in understanding the workings of your mind. You do not need techniques to feel good physically; you need to have your body in good physical shape. So it goes with the leadership mind. What matters is that you be an authentic person. You will then automatically know what to do. In psychotherapy, insight heals. That is the theory.

- Look for techniques and for skills of transition, for specific practical steps, things to do. In other words, what skills do you need in order to take the insights of the Leadership Diamond into the real world? The model provides a base from which derive specific actions and techniques. This is a constant effort; it should never slacken. And everyone needs to contribute. The results must be collective.
- Find the answers yourself. Peter Block, the outstanding consultant, had a sign on his door: “Superman doesn’t live here anymore; go do it yourself!” Understand the leadership mind. Then revert to your center, consult your experience, and, being innovative, invent the actions that implement leadership intelligence.
- Question the question. Philosophers have spent most of this century trying to prove that profound questions—Does God exist? Is the world real? What can we know? Is consciousness different from matter? Is the soul immortal? Is there a right and a wrong in ethics?—are, in fact, meaningless. They are chains of words, grammatically correct but lacking meaning, like the Viennese philosopher Moritz Schlick’s famous question: “Is blue more identical than music?” Sounds deep; means nothing. Nietzsche said that philosophers muddy the waters so that they may appear deep, and so it may be with the question of making the leadership mind operational. The question is wrong. It comes from a nonleadership mind. There are more answers to this puzzle. You can develop them yourself. Pick the one you like the most and discard the others.

## Stage 8

The cost of the resistance, emotional and financial (ultimately, in terms of organizational survival) is clearly established.

## Stage 9

The resistance gradually diminishes as trust is permitted to develop. New modes of leading, perceiving work, and thinking about life are then experimented with and tested in the real world of organizational objectives. This is what is meant by *reality testing*.

## Stage 10

A critical mass is created within the organization. This requires unswerving commitment and undeviating perseverance by key decision makers, who must be the sponsors.

## Stage 11

Gradual transformation of the organization occurs, like sunshine after the rain, daylight after a long night.

## Stage 12

The organization seeks ways to make the culture's new leadership consciousness permanent. There is constant danger of recidivism.

## Underlying Lessons

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There are several underlying lessons to be learned from this predictable developmental sequence. You do not teach leadership to organizations. You help them learn it. Resistance is eventually overcome by a dedicated organizational sponsor who has the courage to be prescient, persistent, and patient. A developed, widespread leadership consciousness elevates the health, personal fulfillment, and productivity of employees more than any other single identifiable factor. The result is organizations that survive profitably, have high morale, and are respected.

The essential element of bringing about the challenge to leadership greatness in organizations is the leadership-greatness manager or educator, and that role requires three basic empowerment skills: teaching, psychotherapy, and modeling. *Teaching* involves what all of us have experienced ourselves: instruction or lectures, homework (consisting of reading, exercises, and the like), experiences (developing experiential knowledge), and a practicum (field work). The skill of teaching is taught in colleges and universities and has been developed into a fine art. It applies richly to the business world, as well as to government and the professions.

Similar thoughts apply to psychotherapy, which is merely another form of teaching, that is, teaching through experiencing, much of it

based on the method invented by Socrates and exemplified in many of the dialogues of Plato. Psychotherapy is likewise a highly developed skill, taught in schools and institutes. It has a few basic ingredients. Learn how to establish an alliance with your client, which means trust. Learn active listening, which means reflecting what the client says, instead of interpreting; you are alert and supportive; you make clear to your client that he or she is really being heard, at many levels of depth. You must help your client ventilate. You must encourage the expression of thoughts and feelings lost for decades. You must interpret your client's statements in a larger perspective and with supreme realism so that unhealthy illusions and damaging "games" can be discarded. You must guide the client to understand and to experience the strategies used to hide the truth and the secondary gains that these "resistances" achieve. You must also maintain the interaction at an optimum level of anxiety: too much, and the relationship is over; not enough, and there is no progress. Optimum anxiety means growth. The anxiety must feel cleansing and invigorating.

*Modeling* is based on the theory that leadership is contagious. When you see it in operation, you recognize it as one of your own possibilities. You imitate the actions of your model and are inspired by that spirit. You have hope, which is still one of the most beautiful of all the virtues. Aristotle tells us that children learn by imitation; so it is that we learn leadership.

Leadership skills can be learned, but it is an illusion to think that an undeveloped person can get away with techniques alone. Underneath, there must be human authenticity. That will always show through.

## **Gaining Support for Your Business Strategies**

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You have absorbed the Leadership Diamond model, and you have used it to analyze your own leadership situation. You have committed yourself to using the model for challenging your organization to leadership greatness, in full recognition of the developmental course and resistances you can expect. Where, now, do you begin? There are five basic steps in a complete leadership-greatness challenge, to be correlated with the dominant leadership strategies.

1. *Understand.* Thoroughly understand Leadership Diamond theory (vision).

2. *Do.* Learn by doing. Own and experience the concepts. Attain facility in diagnosing a wide spectrum of leadership situations (reality).

3. *Operationalize.* Using the full power of Leadership Diamond theory, develop specific strategies, systems, and processes to manage your business objectives. This is your business plan: how you organize your company, your reporting chart, your rewards system, and so on (reality).

4. *Implement.* Use Leadership Diamond theory to implement these strategies (courage). This process requires, first, implementation strategies. One strategy is to develop, among your most promising employees, a cadre of leadership teachers, who then spread the leadership-challenge message throughout the organization. That creates a critical mass of leadership intelligence to support the organization's business objectives (vision). Second, implementation requires that you challenge people to greatness in leadership, empower them. That includes teaching leadership or teaching others how to teach leadership—to teach, as you work, the Leadership Diamond mind-set. This is the real core of leadership (ethics). The first is conceptual, the second charismatic and inspirational. In fact, strategy is to leadership as a blueprint is to a house, as essence is to existence, as the mere thought of a thousand dollars is to actual cash in your pocket. The challenge to leadership greatness is not technique. It is personality. And philosophy is not simply another leadership technique. It is the trunk of which techniques are the branches. Philosophy supports and is integrated into all workable leadership techniques.

5. *Measure and train.* Use Leadership Diamond theory to measure and assess results. Ask subordinates how much leadership they are learning from their bosses (reality).

Key people—executives strategically located within their own organizations—must be identified and trained in the inner-side-of-greatness leadership challenge. That is one approach to in-depth human quality. These people must be volunteers. They become the pioneers who train others in turn, until a critical mass is reached.

All training, recruiting, and promotion programs, as well as job descriptions, both technical and managerial, should contain a

philosophic leadership challenge, an inner-side-of-greatness module. This fundamental step has rarely if ever been taken decisively, and it is long overdue. To establish inner-side-of-greatness modules that make a significant and measurable difference requires an internal elite of well-trained, well-educated teaching supervisors, managers, and executives who understand that teaching and leading are one activity, establish a leadership network with which they stay in touch, continuously refresh their leadership skills, and have access to in-depth leadership teaching materials and effective follow-up leadership technologies.

Large organizations may create their own sophisticated teaching materials, including surveys, interactive video, and computer learning. Television or videotaped programs, properly used, can bring individual depth and intimacy to very large numbers of people. These instructional aids are complex and expensive, although, if well made, they can also be highly effective.

Having now fully explored the theory of the Leadership Diamond model, we need practice in applying it. The next part of this book provides illustrative applications and examples, as well as a series of exercises that can be used in learning and in applying the model to specific circumstances. The first step is to learn diagnosis, which we discuss in the next two chapters.

**PART 3**

# **The Real World: Leadership Strategies in Action**





## CHAPTER 10

# Building Individual Skills

In order to drive a car or play the piano, you require practice and plenty of it. The same is true with Leadership Diamond methodology. In order to use it effectively, you need lots of practice, and that you gain through diagnoses. You must get into the habit of examining all life situations in Leadership Diamond terms. This and the following chapter will help you achieve this competence.

The Leadership Diamond is like a grid. Superimpose it on companies, on whole industries, on organizations within companies, or on individuals, and it will give you a quick and useful diagnosis. This chapter and the next illustrate the diagnostic utility of the Leadership Diamond.

Whatever you do, whether you are building your career and wishing to be more effective in your job, dealing with your relationships and your family, or focusing on your inwardness and your spiritual life, always ask the same questions, derived from the Leadership Diamond:

- Am I being visionary enough?
- Is this a breakthrough, in visionary terms? Or is the vision incremental?
- Am I displaying (or is the situation manifesting) the four tactics of this strategy? In other words, is the reasoning brilliant?
- Is there enough systemic and strategic visioning?

- Is this work based on an understanding of the infinity of inner space-time?
- Has the unconscious been properly enlisted for creativity?

Continue this way with all the other strategies. In other words, whatever task you approach, small or large, whatever team or colleague you seek to inspire and motivate, always raise the same set of questions. Does the action conform to all the criteria of the Leadership Diamond model? If not, what needs to be done to improve effectiveness? (The diagram shown in Chapter One, Figure 1.1, may help remind you.)

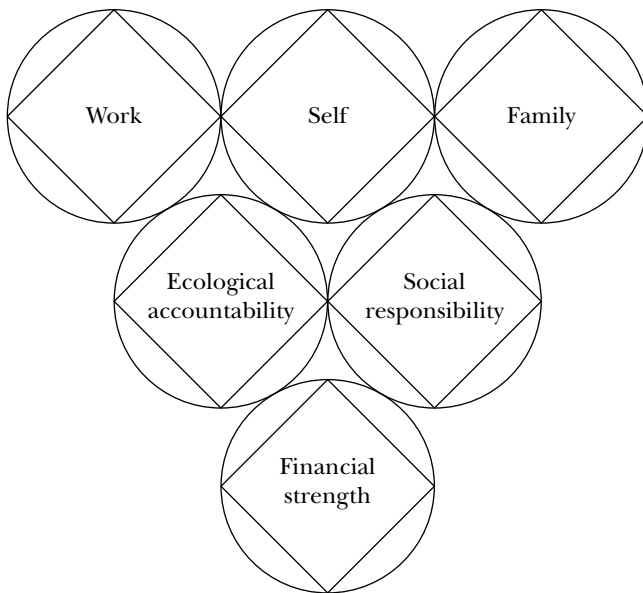
## Marriage and Money

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Let us look more closely at the six arenas of life: work, family, self, ecological accountability, social responsibility, and financial strength (see Figure 10.1). Focusing especially on marriage and

**Figure 10.1. The Six Arenas of Life**

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money, we will consider a checklist of what to look for in order to achieve a more successful leadership life. Then we will see how you can use Leadership Diamond methodology to understand better the leadership performance of one individual; then we will see how it works for companies. In this way, you will get practice in making the Leadership Diamond model work to enhance your own leadership.

## Marriage

Let us start with marriage as an example of the family arena. We can examine the institution of marriage through the grid of the Leadership Diamond model. We check all aspects of an ideal marriage. In this way, we understand the nature of a marriage. We take a look at its full range of possibilities. We then compare, for example, our own marriage to that grid, and we uncover areas of strength and weakness, especially with a view to improvement. This profile is like a map that shows us, in the institution of marriage, where we are and where we may wish to go.

What is the meaning of greatness in marriage? Is your marriage a great one? What are the visionary elements of marriage? How are you doing with your vision of marriage? What are the realities of marriage, and how are you performing in that strategy? What is the meaning of ethics in marriage? How do you compare? What is courage in marriage? What does it profit you if you have it, and what are the losses if you lack it?

Vision asks whether the idealism of first love is still alive, that is, the infatuation you felt when emotional attraction first seized you. Are you still fulfilling in your relationship the poetic possibilities of a great passion? Do you have the relationship you want? What are the implications? These questions about your marriage or relationship derive from examining vision as the dominant leadership strategy.

Are you in touch with reality? Marriage is a social institution and the foundation of human society. Marriage is practical. Do you cope well with the aspects of marriage that threaten its vision (such as money, children, the mortgage, housekeeping chores, conflicting careers, ongoing stresses, pressures, frustrations, disillusionments)? Do you cope well with differences in upbringing, in expectations, different physical and emotional needs, different values, different

intellectual standards, and with each other's unfinished childhood business (neurotic behavior, relics of infancy)?

Are you ethical in your relationship or your marriage? Are you loyal in deed as well as in thought? Are you committed to each other? Are you truthful and honorable? Are you sensitive to each other's needs? Are you service-minded? Marriage is preeminently an ethical arrangement, carrying with it serious obligations and tough responsibilities. These are sometimes difficult to bear. For instance, would you consider it a moral privilege to take loyal care of an invalid spouse?

Do you possess the courage to craft your marriage into what it can be? To be honest? To hear the truth and tell the truth, even though that is painful? To be willing to grow? To allow your partner to grow? To take pleasure in your partner's growth? To change careers or jobs or residence, even friends, if the marriage requires it? Marriage is a condition of constant development, and authentic growth often produces anxiety. It takes courage to face that anguish and to develop through it and past it. Do you have the courage to move your marriage or relationship relentlessly in the direction of authenticity?

You need to understand two levels of diagnosis: the arenas and you. First, what are the strategies and tactics that characterize each arena of life? Second, how do you compare your own performance with what could be? Here our concern is with the former. You should take care of understanding the latter.

How does one develop the structure of each arena? Some general principles may be useful. First, you must pick a target—a subject matter for analysis (such as marriage in general, a specific marriage that concerns you or that you use as paradigm, your own marriage, and so forth) and then select the point of view (the subjectivity) from which you perform the investigation. It could be from your own subjective point of view. It could be from the perspective of a disinterested observer or from that of a child of the marriage, a parent of one of the partners, a marriage counselor, and so on. Of course, the target could be entirely different (such as managing your physical health, performing your civic duties, or educating your children, not to speak of managing your job performance and your career).

Second, ask yourself what specific living details need to be considered in each individual strategy. Who is responsible for the house or the apartment? Who is responsible for earning money? What are the emotional dimensions of the relationship? What are its difficult moments? What are its pleasures?

Third, select your dynamic corner, the strategy with the most energy, and the tactic in which you are strongest. What are some of your victories in this strategy? How are you using the corresponding supporting tactics? How does it feel to be accomplished in this strategy? In this way, you get data. Your dynamic corner gives you an above-average opportunity to describe one specific strategy in detail.

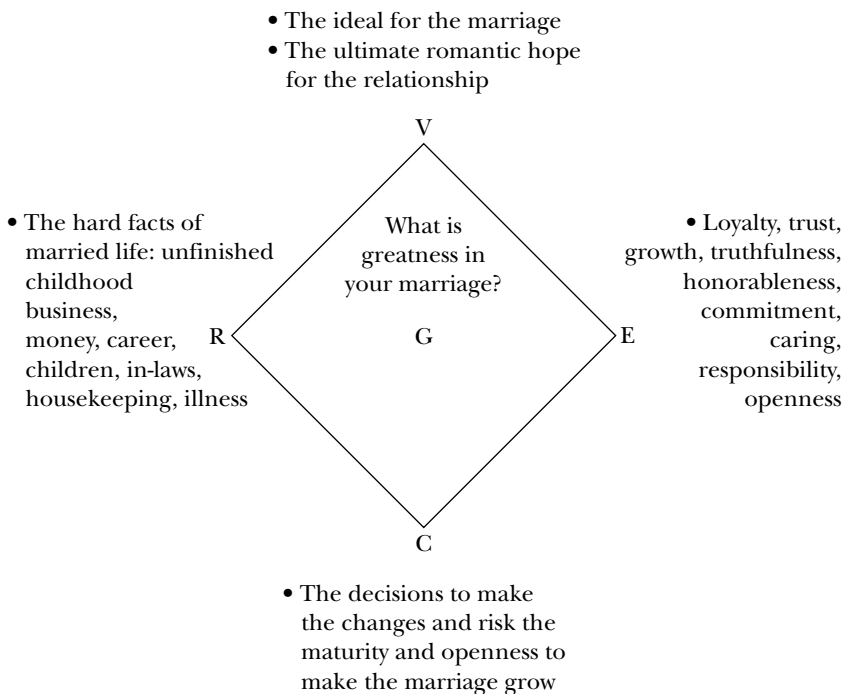
Fourth, you find your leverage corner, your weakest strategy. You fantasize what you would like it to be. You describe what it should be. In this way, you get additional data, and you enrich your paradigm with what is possible, what could be.

Fifth, try to expand each of the remaining strategies in light of the insights you have derived from your dynamic and leverage corners.

In this way, you achieve as complete a picture as possible of what, for the authentic leader, one of the arenas of life might look like. You can now use the results to check how you are doing in any one of the six arenas. Your diagnosis becomes your guide for improving your leadership performance in all aspects of your life (see Figure 10.2).

## Money

Let us now use the Leadership Diamond model to examine the meaning and function of money in the arena of your financial strength. In this arena, vision is the ability to recognize value wherever it lies—in people, things, or situations. It is making marketing intelligence work, having a nose for business opportunities. It is always viewing things, events, and situations in value terms. It is also seeing value beyond cash. It is thinking like an investor, not a wage earner; like a speculator, not a saver. It is always trying to predict what lies ahead, what future developments may be, what new trends are, and what implications follow for one's organization or

**Figure 10.2. Family**

for oneself. Making money through acquisitions, joint ventures, starting companies, mergers, buyouts, investments, speculation, tax shelters, stock options, golden parachutes, and so forth, is not always socially productive and is often the result of greed. Nevertheless, the mind that thinks opportunistically is the visionary mind with respect to the acquisition of wealth. Visioning, in relation to money, is not merely having access to facts but thinking consistently in this unique way.

Realism is seeing money for what, in an absolute sense, it is—something *intangible*. It is neither cash nor property. It is a complex system of assets, all calculated into a comprehensive picture. Having realism about money is always knowing exactly where you stand financially. It is possessing a clear picture of what your

money is doing and of what it could be doing. And realism is always maintaining that clear picture before you, always being money-conscious.

This realism applies to more than your own finances. You must also be aware of the financial relations among companies, industries, provinces, and nations. Financiers may not perform a productive function, but their power is immense. The world has constructed itself so that monetary maneuvers move mountains.

Realism is also knowing your products and skills. What do you have to offer that the market wants? Your market value may be higher than you think. You have untapped resources.

There are some fundamental realities about money that many people overlook. Many people are hurt by their lack of “money literacy.” For example, there is cash, and there is noncash. Cash is like hard currency. It is “actual” money. Noncash is “funny money,” potential money. Cash is what you find in checking accounts, money-market funds, certificates of deposit, and so forth. Cash is the most important form of money. That is reality. Noncash is borrowed money, taxable money, leveraged money, nonliquid assets. It is money whose existence in your pocket is questionable. Leveraged money is probably the best source of wealth, however, at least in a capitalist economy. That is also reality.

There is the fact of inflation as well. Money kept in a vault erodes in value. That is reality. Money borrowed today is repaid later in cheaper dollars. That is also reality. Furthermore, tax money is soft money. It disappears without careful planning, and that too is reality. Beyond that, the best source of income is not wages and salaries but speculation (with or without effort on your part) that what you own, whether precious metals or companies, will increase in value. These money manipulations may be questionable in the ethical sense of their not materially contributing to society, but they are still the result of the nature and flow of money in a free economy. In fact, if everyone were smart about noncash, many financial-planning and enrichment techniques would become null and void. Right or wrong, these are the realities of money, too often overlooked by too many people.

Money is about debt and about the uses and dangers of debt. Nationally, we have debts in the budget and in trade. We have federal,

state, municipal, corporate, and personal debts. Debts can be purchased and sold. They can be refinanced or restructured. In short, money is a house of cards, held together mysteriously and by mutual consent, but always fragile. What are the implications for the global economy? For you?

What about ethics? Here *ethics* means lawfully acquiring money and using it for meaningful things. The burden is on the owners to do useful things with their resources. Ethics, when it comes to money, is the clear understanding that the important things in life are not monetary. Money offers the opportunity for action—ethical action. Moreover, freedom and peace of mind, time for reflection and opportunities for action, occasions for compassion and chances for education can all be made real because of money. Avarice is properly called a sin, and generosity is justly called a virtue.

Courage in relation to money is the willingness to take risks. Investment means risk; changing jobs means risk. Entering a new career means risk and requires courage. Betting on the economy is a risk. We know a person's relation to being in general by how that individual feels about money. Not risking with money at all means not risking in life—in love, in one's career, in creativity. Too much risking with money means irresponsibility toward commitments, obligations, promises, and expectations.

But risk can also take the form of not making money a central goal of life (consider a poet, for example). Commitment to the life of the mind is similarly a risk: one risks one's soul. Money is a barometer. How you relate to it defines how courageous you are.

At the level of business, it is also useful to examine attitudes toward money and financial policies in terms of the strategies of the Leadership Diamond model. We look for the "tilt" of the Diamond—the point on which the company rests, the dynamic corner. (This is the same diagnostic tool that is used in the example of marriage.) Where is the emphasis? On realism (making money at all costs)? Making profits the sole consideration? Making cost containment the principal policy? To be ruthless in the worship of Mammon? Or is the compelling energy tilted toward vision, toward money as the fuel of the world economy, the means of supporting human destinies and helping the fate of nations? Is money viewed as an instrument, as a leveraging tool, as not a value in itself? Is

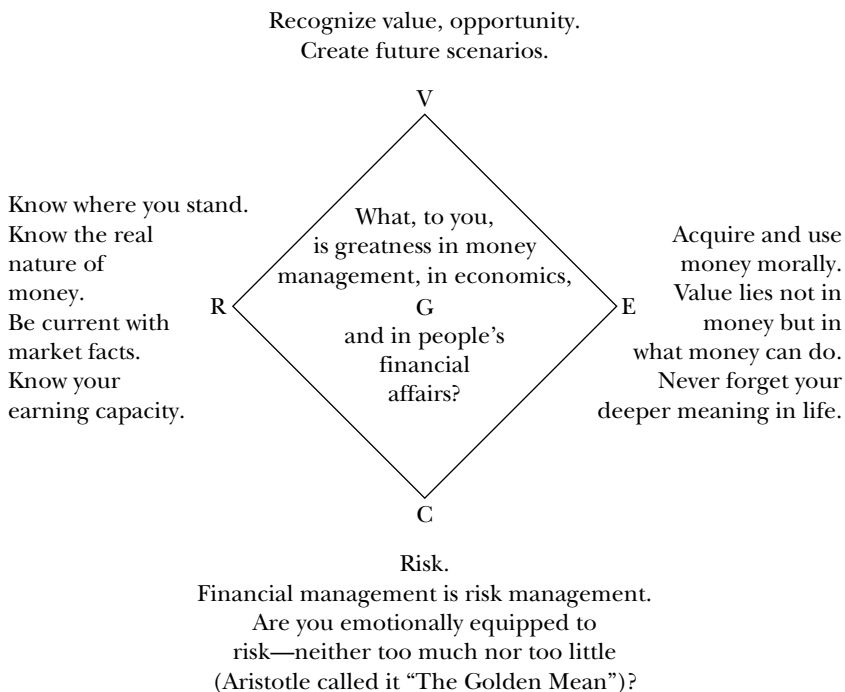


money only a metaphor? Is the real issue value? And doesn't value come in infinite shapes? How can money best be used to reach the vision?

Is the prime motive for understanding money, for relating the organization to money, an ethical one? Is the organization's primary concern to improve the human lot? Is the meaning of business, for example, principally to create jobs? Is there any idealism? Is fueling the economy fundamentally a moral act so that survival and prosperity are not expressions of greed and selfishness but of compassion and responsibility? Is the company being used clearly and principally to benefit the society in which it exists? Is it patriotic? Is it international? Is it socially conscious? Should investments be occasions for moral stands on political oppression or environmental pollution?

We can also analyze the courage with which money is viewed in a company. Inventiveness and entrepreneurialism are often associated with financial risk. How desirable is it to take risks? Is the decision to take risks a rational one, or is it unconscious, irrational, and more characterological (that is, more personality-dependent than analytical)? Which is the right way to make decisions about risk? Do we go into our individual depth? Do we meticulously analyze data? Can we do both? Do we do both? What is better—an individual, visceral risk from a transformational CEO or a communal decision skillfully facilitated by a transactional CEO?

Having analyzed the question of the dynamic corner, we move on to the others to achieve our profile. If you review your organization's financial situation in terms of these strategies, what do you think will be the effect on its total health? Such examinations expand the mind and, like good warm-up exercises, loosen the muscles of the leadership mind for more nimble performance. A financial institution can build its marketing plan on a model like this. The product of a bank, for instance, would be helping customers buy leadership in their financial affairs. That would be accomplished by using the Diamond checklist for structuring the organization so that it marketed greatness for its customers and, specifically, greatness in financial visions, in understanding the market and fiduciary realities, in connecting money with values, and in managing risk, both financially (strategically) and emotionally (personally) (see Figure 10.3).

**Figure 10.3. Financial Strength**

## The Six Arenas

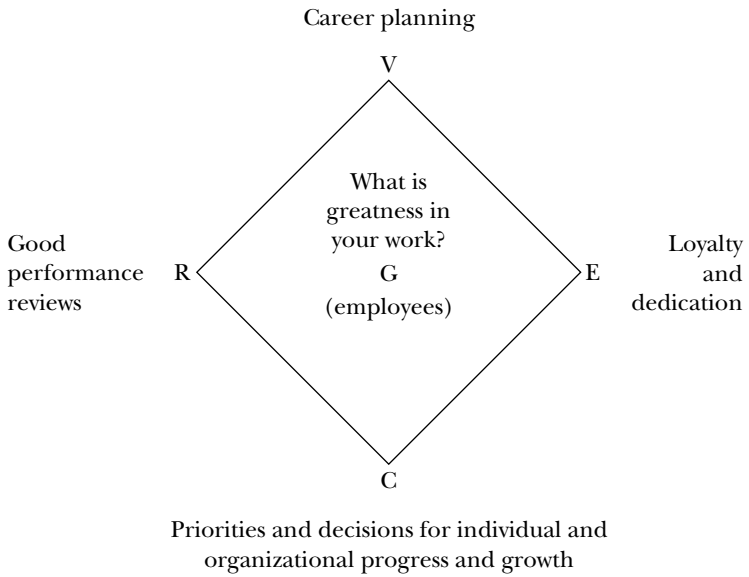
Each arena has its own profile. Many possibilities exist. The following are only examples, so that you can create your own profiles to suit yourself and your life situation and your values. Figures 10.4, 10.5, 10.6, and 10.7 depict, respectively, greatness in your work (both as an employee and as an owner), greatness in taking care of yourself, and greatness in your social responsibility.

## Analyzing Individual Leadership Styles

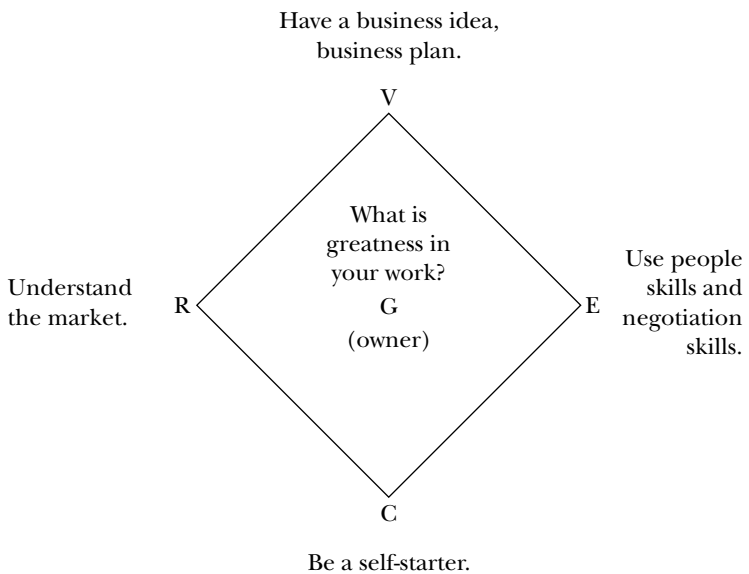
We have examined the structure, the components, of each of the six arenas of life. Let us now apply the model to specific cases, that is, use it diagnostically.

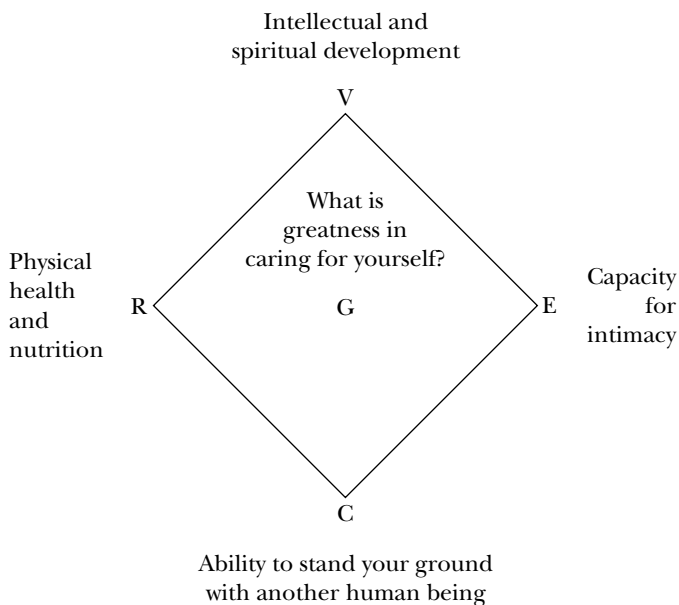
Understanding yourself in Leadership Diamond terms can be one of the most successful ways to enhance your leadership

**Figure 10.4. Work (Employee)**



**Figure 10.5. Work (Owner)**



**Figure 10.6. Self**

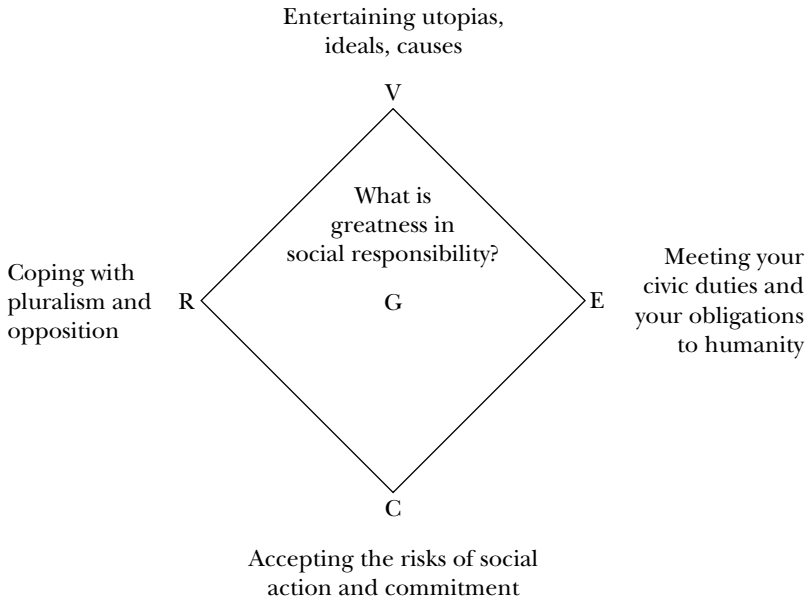
effectiveness. First we analyze the leadership style of individuals. Then we take a look at companies.

### CEO-Owner

The basis of this diagnostic analysis is the Toolbox, with special emphasis on the strategies for greatness—*effectiveness* and *character*—and less emphasis on its definitions. This particular diagnosis is the result of a dialogue between client and consultant and was drawn up by the consultant. It is a diagnosis of the leadership style of Mr. X—an engineer and the founder, owner, and president of an international automobile-leasing chain. Mr. X is forty-five years old. The diagnosis is subject to change as further information becomes available.

### *Diagnostic Scale*

In this as in other diagnoses, we begin at the center of the Leadership Diamond, with an evaluation of the individual with respect

**Figure 10.7. Social Responsibility**

to greatness. We then assign evaluations to each strategy, its formula statement, and its supporting tactics. The result is a comprehensive picture of the individual's leadership style.

The following scale is based on what the observer believes about performance, that is, how the subject is perceived by others. It is permissible to split the answers.

- |                              |                              |
|------------------------------|------------------------------|
| 1. No performance            | 6. Above-average performance |
| 2. Poor performance          | 7. Good performance          |
| 3. Fair performance          | 8. Very good performance     |
| 4. Below-average performance | 9. Excellent performance     |
| 5. Average performance       | NA. Not applicable           |

### **Results**

*Greatness:* 8/7. This CEO is intensely committed to greatness, a commitment that is getting stronger daily. This attitude is the best hope for the company. If we consider the more sophisticated criteria for greatness, however, his final score might be lower at this time; nevertheless, he is fully prepared to deepen the person he is.

*Strategy—Vision:* 8. He is an exceptionally visionary individual. He sees far into the distance, both geographically and historically, the significance of his enterprise.

*Formula statement—Think big and new:* 8. There is no question that this person's mental ability is one of his greatest strengths. He will always surprise you with new plans and innovative ideas.

1. Abstract reasoning and analysis: 7. Here he is rated "good," which is to be expected, partly because of this executive's strong engineering background.
2. Systemic and strategic thinking: 8. This skill is highly developed in him, and it is to his credit, for he has learned it himself through years of hard work and business experience.
3. Creativity and the unconscious: 5. This skill is highly developed in this manager, but, as is characteristic of many numbers-oriented people, it regrettably is not part of his daily business life. It easily could become that, however, probably with remarkable and highly visible results.
4. Expanding and exploring inner or subjective space-time: 1. He is poor here because of his lack of knowledge of this dimension of human existence and the absence of serious development of the region of his inner consciousness. Work in this area, if he chooses to do it, can bring high-leverage results.

*Strategy—Reality:* 8/4. Highly realistic financially but questionable realism when it comes to understanding himself and other people. Further personal growth can take care of this deficit.

*Formula statement—Have no illusions:* 8/4. No illusions in business realities but significant illusions in people realities.

1. Meticulous attention to practical details, attending to the precise needs of immediate and end customers: 7/2. Uneven. Good detailed knowledge in the area of visionary projects but poor attention to detail in the everyday maintenance and service areas.
2. Extensive information and objectivity: 8. Uniformly well informed, from politics and world economics to operational details.
3. Survival—relentless results orientation and market orientation: 9/3. Uneven. Excellent in understanding and focusing on the

external market but weak in dealing effectively with the internal markets. More training of his personnel and better systems would be helpful. Better managers must be selected, trained, and supervised. When it comes to raw survival, however, this executive is undefeatable.

4. Direct contact and embodiment: with yourself, with other selves, and with how others perceive you (definition of mental health): 7/3. Uneven. Excellent in public, good public speaker. Evasive in private, especially in small groups of high-powered executives, where holding his ground may not be easy. Work for improvement in this area is crucial to increased leadership effectiveness and protection of investment. The problem with this tactic stems from issues buried deep inside his personality and is undoubtedly related to early family experiences, such as relation to parents and position among siblings.

*Strategy*—Ethics: 6. Appears to be very ethical but needs more maturity in human relations.

*Formula statement*—Be of service: 4. Needs to be more service-oriented when it comes to customers.

1. Teamwork, loyalty to task forces: 4. Is fearful of real and meaningful teamwork because it may mean loss of control.
2. Meaning: 9. Outstanding and exemplary. His work absorbs him totally, makes him happy, and leads to fulfillment and meaning in his life. His family fully supports him.
3. Communication, caring, love: 8. Outstanding and exemplary. A loving person, especially to his family. A very loyal man to those with whom he has built a relationship of trust.
4. Integrity, morality, and principle: 7. Observed as outstanding and exemplary. Insufficient data.

*Strategy*—Courage: 7. Does not lack courage in the business arena but hesitates to take the necessary courageous steps in personal growth and in the development of his company's culture.

*Formula statement*—Act with sustained initiative: 9. This man has no trouble taking the initiative and sustaining it. He may not always take the initiative in what one might call the "right" direction, but he knows how to act.

1. Aggressive education and management of markets, product advocacy: 8/3. He is excellent in sales and promotion. He is superb in educating external markets but poor in mentoring some of his internal markets. He needs to educate and train all of his people extensively.
2. Aloneness, autonomy, and independence of thought: 8. High in understanding of this strategy and in its implementation. Impressive. Here necessity has been the mother of invention.
3. Anxiety: 5. He does not consider enough the healing powers of anxiety (very few people do). He needs to work in this area for the sake of his personal growth and increased maturity. He is young (in fact, precocious), and for that he should be acknowledged, but facing more of his anxiety will help.
4. Free will, energy, centeredness, and power: 7. High in understanding this tactic and implementing it. Impressive. He should concentrate more on using his power for the benefit of others. Other than that, this orientation will ensure his continuing success. His need to control his company testifies to his strong will power, but it may also be a compensation for lack of centeredness and therefore may limit the growth of the business.

A more comprehensive analysis would also include the internal, external, psychodynamic, and systemic resistances; that was not done in this example.

### *Use of Results*

What should the executive do with this evaluation? Here are a few suggestions:

- Reinforce strengths.
- Work on weaknesses.
- Ask colleagues and subordinates to produce a summary profile of his leadership style.
- Compare the profile with other consultants' assessments and with the opinion he has of himself, and ask colleagues to discuss any discrepancies with him.
- Cite examples for each of the diagnostic categories.
- Analyze how this leadership profile affects his organization today, positively and negatively.



- Discover the implications for the future and discuss how changes in his leadership style may influence his future and that of his company.
- Trace, in detail, the nature of these leadership traits, and find the specific results that the business is achieving and is missing.

The consultant reviewed all the tools with the client. Together, they decided that these were the areas where improvement would make a measurable bottom-line difference:

1. *Expanding and exploring inner or subjective space-time.* Extensive training, both on the personal level and for the team.
2. *Direct contact and embodiment with self, with other selves, and with how others perceive you.* First, seminar for management team; then, private leadership coaching or CEO mentoring as follow-up processes, with a different consultant.
3. *Meticulous attention to practical details, attending to the precise needs of your immediate and end customers.* Develop a massive strategy to create effective systems for his company, through one or more team sites, with special effort to get to root causes. This is a beginning. Concern here is with an action plan of the highest priority.
4. *Relentless results orientation and market orientation.* Clarify the nature of the internal market. Management team develops and executes training program. This is a high-priority item.
5. *Teamwork, loyalty to ad hoc teams.* Intense, consistent, quiet (behind-the-scenes), trusted, private leadership coaching or CEO mentoring, especially on the theory and practice of teamwork and group work.
6. *Aggressive education and management of markets, product advocacy.* Educate internal markets with intensive training program.
7. *Additional staffing or consultants.* Engage the services of a personal mentor, a strategy consultant, and a corporate training director.

## Research Scientist

This is a diagnosis of the leadership style of Ms. Y, forty-two years old, chief research scientist and engineer in a major high-technology company. She was recently promoted to help steer the company's

most important project to a successful conclusion. The company's competitive position depends on the success of her work. This executive has a brilliant and creative mind. Innovative ideas come easily to her. She is a charming and gifted person. She has suddenly been propelled from scientist to leader of people, and she wants a diagnosis, performed by herself, together with an observer.

### **Results**

*Greatness:* 4. She could be stimulated to greatness but has not been, by the proper challenge. Her life is too comfortable to confront her with the need for greatness.

*Strategy—Vision:* 6.5. In general, she is an above-average visionary person.

*Formula statement—Think big and new:* 8. She is exceptionally good at new ideas, insights, inventions, and connections.

1. Abstract reasoning and analysis: 9. She has a brilliant scientific mind. One can ask for no more. For her own sake, she should systematically continue her theoretical training and lead the life worthy of her potential, that of a creative scientist.
2. Systemic and strategic thinking: 3. The lack of need to be a leader of people within an organization has atrophied this region of her mind. It could be stimulated into existence, but that would require a lot of pressure, many emergencies, and her decision to show interest in wide-ranging leadership thinking. It is not likely that she will be motivated to develop this aspect of her potential. The company needs it, but she may resign her position before seeing the value of making the effort. In the end, she must develop this part of her mind for her own sake—because she wants to be this kind of person, not because the company needs it.
3. Creativity and the unconscious: 9/4. In practice, she uses her unconscious in a rich and spontaneous creativity. But this art is neither understood nor developed. Like any other child prodigy, she is no longer precocious at her current age. It is now time for professionalism: deliberate and wise cultivation of her unconscious and creation of a lifestyle devoted to creativity.
4. Expanding and exploring inner or subjective space-time: 1. Like many other technologists in today's industry, she has not

touched this area. Her ignorance of it results from disinterest, not from ill will or lack of ability. Exploration of this tactic could be a high-leverage area for increased visionary thinking.

*Strategy—Reality:* 5. She is a realist because she is a scientist and a businesswoman. But she is *not* a realist in that she has not had to deal with the genuinely tough management and marketing crises of the real world.

*Formula statement—Have no illusions:* 5. She still lives too much in the indulgent world of the pampered scientist, which is nice but not adequately realistic for an effective business leader.

1. Meticulous attention to practical details, attending to the precise needs of your immediate and end customers: 9. She is a devoted team player and a loyal company person. To the best of her current ability, she does what the company needs. But she fails her organization by not meeting its need for a larger leadership perspective. This is a vision deficit. She has been promoted to a position of leadership because of her talent, but her willing obedience in carrying out the requisite technical details is not sufficient to bring to completion the critical project for which she is now responsible.
2. Extensive information and objectivity: 4. She is a quick reader and has access to much information, but it is only technical. That is important, but she misses the economic and human issues that are now the fulcrum of her accountability. She is not well enough organized to find time to keep herself updated.
3. Survival—relentless results orientation and market orientation: 9/5. She is keenly aware of her external and internal markets, and she can be counted on to act accordingly. That follows from her devotion to the team and her loyalty to the company. Nevertheless, she was not educated on the streets but in expensive schools, and her raw survival instincts are blunted. That will diminish her effectiveness as a leader of men and women.
4. Direct contact and embodiment: with yourself, with other selves, and with how others perceive you (definition of mental health): 7/3. She is a healthy person, in touch with the world, from her body to her family to nature. But she is less good than she could be at seeing herself objectively, not because of any lack of intelligence but because of childlike underdevelopment

of her reality skills. Her intelligence has given her so much success that she does not need other survival tactics. She is therefore not mature enough to see herself through the eyes of another, especially if that other person is more experienced and worldly than she is.

*Strategy*—Ethics: 5. She is a good and very likable person but not yet a moral giant, because she has not been required to be one.

*Formula statement*—Be of service: 7. She is devoted in her service orientation.

1. Teamwork, loyalty to task forces: 9. Exceptionally high in this area.
2. Meaning: 5/3. She is happy with her life and finds meaning in it but not with passion. Meaning comes naturally to her; she does not give it much thought. She could not handle a collapse of meaning in her life. So far, her meanings have not been seriously endangered, mostly because of a benign environment. But to use meaning and meaningful work as key management tools is quite foreign to her. It would not occur to her to emphasize meaning in designing work or in addressing her customers, subordinates, or peers.
3. Communication, caring, love: 8. Very high. She is a lovable person and wants to ensure that everyone in her environment loves everyone else. Her behavior indicates that friendliness, sensitivity, and closeness are more pronounced than compassion.
4. Integrity, morality, and principle: 7. Surely very high, but it has not been called in question or tested and is not likely to be. She has been protected from the vicissitudes of tough leadership confrontations, aggravating frustrations, and painful choices.

*Strategy*—Courage: 4. Uneven. Sometimes good, at other times unimpressive.

*Formula statement*—Act with sustained initiative: 4. She is learning willingly how to act with more initiative, but her efforts so far are not adequately sustained.

1. Aggressive education and management of markets, product advocacy: 7. She knows what is right for the product. But her new

- “product” is people, and she finds it difficult to fight for them. Even the concept that this is a key element is new to her.
2. Aloneness, autonomy, and independence of thought: 3. Independence of thought is inevitable for such a bright mind, but she is frightened of the isolation of leadership. She avoids thinking about it. Immaturity in this tactic limits her usefulness and promotability.
  3. Anxiety: 3. Anxiety is not a part of her life. Up to a point, that is good, but in the sense of helping her company’s competitive posture by steering her project to a successful conclusion, she can make only a modest contribution. Her job is in fact pure anxiety; avoiding anxiety is therefore avoiding her job. Her life as a talented person has not prepared her for the anxiety of leadership.
  4. Free will, energy, centeredness, and power: 4. Her thinking is superb, her loyalty unimpeachable. She delights others with her frequent spurts of freshly creative ideas, but she lacks the presence of will, the power of freedom made visible. She lacks the strength of initiative and the vigor of independent action that identify leaders in difficult times. Her youth makes it difficult for her to be centered.

Not undertaken in this analysis (as was also true of the earlier example) is an exhaustive examination of psychodynamic (internal, personal) and systemic (organizational, cultural) resistances. That would require more detail than can be managed here.

### *Use of Results*

What should this executive do with this evaluation? At present, she is not suited to the job to which she has been promoted. She is only half prepared. She must decide whether she is willing to make the profound personality changes required to meet the needs of her company. These character transformations should not be attempted solely for the sake of the company. She is happy as she is; there is no moral reason for change. She may decide, however, that her personal development, in health and in her career, requires leadership growth and that she wants to awaken dormant areas of her personality. In that case, a program of deep growth is appropriate. The stakes are high, for her and for her company.

*The leverage points are clear: greatness; systemic and strategic thinking; expanding and exploring inner or subjective space-time; extensive information and objectivity; aloneness, autonomy, and independence of thought; anxiety; free will, centeredness, and power.* Work in these areas is not easy, and it is deep. It means renewed commitment to her possibilities. It means being stronger and being willing to risk the anxiety of taking more initiative. It means using the powers of her mind in new areas. She is intellectually brilliant but emotionally young. Life has not yet toughened her sufficiently. Her next leadership step requires growth in the direction of making tough choices. With that, her future will know no limits. Even modest attention to her weaknesses, or leverage points, is likely to bring quick and visible results. This person is ready for and receptive to systematic leadership learning and committed leadership coaching.

Using the Leadership Diamond model for executive growth means learning to apply it. The first application is self-diagnosis. Through it, two values are achieved: the usefulness of the model becomes clearer, and you gain insights on how to work smarter rather than harder. In overcoming your weaknesses, you develop the lost parts of your personality. That increases your effectiveness and, rather than adding to your burdens, lightens them. The model can be used to diagnose not only individuals but organizations as well. Greatness is a function of the person, but it can also be a trait of organizations. To that endeavor we now turn.

## Expanding Organizational Skills

As we have seen, the essence of the Leadership Diamond model is the leadership mind, or leadership intelligence, which is different in kind from the so-called ordinary mind. Shifting gears into that new consciousness is the secret of power and control. This transformation can be described by observing leaders and by detecting the hidden leadership potential within oneself. And leadership begins by being a leader in one's own life.

In passing, think of this: it is useful to conceptualize oneself as a company, a business, or an organization—even as a state. Each of us, then, needs a marketing department, a finance department, and a planning department. If we are a state, we need a defense department, a legislative body, a judiciary. But this is basically an individualistic view. There is even more power in transferring this attitude to organizations. Effective accomplishments occur, not when we think of individuals as the units of explanation but only when these units become organizations. How does one achieve in the real world? By raw will power? Not usually. Accomplishments result because we think *in organizational terms*. It is therefore of the greatest importance that we move the perceptual and conceptual mind-set that we call the Leadership Diamond from individual leaders over to teams and organizations.

If we wish to achieve significant objectives, we must use the power of organizations—a truth that holds as much under socialism as under capitalism. Even the isolated artist needs the support of the society that he or she may condemn. Plato, in his *Republic*, understood

that the state is one large person. In significant respects, the organization is one large individual, and all the Diamond points and all the insights concerning leadership intelligence must now be projected onto the organization that we have chosen as the vehicle through which we cope with the problem of existence.

The Leadership Diamond is like the benzene ring—the fundamental molecule for synthetic chemistry. It is a molecule that comes naturally with human existence; vision, reality, ethics, and courage are also basic human needs. When organizations are challenged to adhere to the requirements of the Leadership Diamond, they are simply confronted with the basic fact that their own fulfillment is of the same order as that of individuals.

Is it important that all leadership traits be exhibited in one person? Or should there be a division of labor so that one executive is the visionary, another is the realist, a third concerns him- or herself with human relations, and a fourth is the agent, the doer? The proper response to this frequently asked question is that both positions are correct. Each executive must exhibit all four traits. That is the essence of Leadership Diamond theory. In addition, however, the organization or partnership works best if specific tasks are assigned to different people. Thus a good partnership is one in which one person works on the strategy, another knows how to establish close and trusting human connections, a third sees to it that results actually occur—that actions are in fact taken and real decisions are made. Such a team would work well together.

For such teamwork to actually take place, however, each member must exhibit all four categories, for the thinker or strategist must possess enough realism, personal-relations skills, and courage to establish a workable division-of-labor partnership in the first place, and that would be true even if his or her function in the partnership were to work primarily on strategy. The reflective and scholarly strategist is action-oriented if he or she enters into an effective partnership with a doer—a partnership in which he or she nevertheless remains the strategist.

We saw before that practice in applying the Leadership Diamond model requires diagnosis. We now address ourselves to this endeavor. The following diagnoses were developed by executives of various organizations attempting to describe business leadership situations with which they were struggling. Their efforts may be of help to you.



## A Sample Company Diagnosis

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How does one diagnose specific companies or organizations? In the following analyses, the external consultant who provided this service concentrates on the dominant leadership strategies alone, omitting the detailed tactical examinations of individual diagnoses.

### Diagnosis

Company A is a remarkable financial-services company of two thousand employees. It is over one hundred years old and is deeply entrenched in its community. How does the company rate on the Leadership Diamond? Is it a leadership company? How does the corporate culture rate in supporting that company? (In a company that lacks support from its culture, top management will be spinning its wheels.) What about top management? How does it rate in terms of the desiderata of the Leadership Diamond?

Let us start with vision. The vision of this company is maintained by the CEO virtually alone, single-handedly. In vision, he personally is rated “very strong,” and he is to be admired and commended for it. The company’s executive committee, on the other hand, is rated “relatively weak” in vision. Committee members try to understand, and they try to follow; they even try to imitate. But they lack the initiative for great vision that distinguishes their CEO. Specifically, the company’s leaders are engaged in good strategic thinking, which makes its visionary ranking “high,” but the vision is not distant enough, nor is it viewed as a high enough priority or coupled with adequate commitment, seriousness, and courage. The total ranking for vision therefore remains “modest.”

On reality, both the CEO and the executive committee are rated “strong.” In fact, the CEO may be just a bit of a dreamer so that he needs the common sense of the executive committee to keep his nose to the ground. Reality ratings include competence, and here this company generally rates “high.” This is an added reason for rating the company “strong” in its reality strategy.

The company’s rating on ethics is “very strong.” Both the CEO and his executive committee have a deep commitment to ethics. This point may well be what the company primarily rests on; its strength, reputation, and credibility are based heavily on that factor.

On courage, the CEO rates “very strong,” the executive committee “modest.” The committee members are carried along by the CEO’s power of personality. Therefore, the company, as an organization demonstrating courage, can be rated only “modest.”

How is company A’s corporate culture to be diagnosed? Here we distinguish the total culture from its top leaders. It is rated “weak” on vision and courage, “acceptable” on reality, and “strong” on ethics. On technical competence, it is rated “high” but “lower than necessary” on marketing aggressiveness so that its composite profile in the reality strategy would still be “on the weak side” or, at best, “modest.” On vision it is “confused,” partly because of numerous recent acquisitions. The cumulative effect of all this has been to weaken the market orientation of the company, thereby seriously endangering the viability of the bottom line.

## Prescription

What is to be done? How can the company be strengthened? First of all, a thoughtful, determined, and persistent campaign to instill reality into the culture is essential. For too long, employees have been protected from the mercilessness of market forces; they must now feel those forces directly. They must be challenged to make a commitment to meet the financial needs of the company. And that cultural commitment must come not only from additional incentives, which may be mechanical, but from a dramatization of the truth that reality is key to all human life and that a heightened reality consciousness testifies to a person’s general maturity. To be in touch with reality is good for the soul. It will also be healthful for the company. Employees’ pride must be aroused. They must know they can be on a winning team of their own making.

Efforts must also be undertaken to give the company a single direction—marketing. This is a matter not only of realism but of vision. After all the acquisitions, it is not one unified company, although employees’ loyalties are still disparate. Here structuring (that is, using “people architecture” principles, which means reorganization) can be helpful. Rotate people where possible. Bring them together in significant work teams; socializing, as a tactic, is incidental, but working together unites people. Give them interactive assignments and tasks that are inherently important; make it clear that success belongs to the team. People will feel close if

they are joined by a single task. The more teams are created from different branches, the greater the opportunities for building cohesion. But team members must also remain in touch with one another after completion of their assignments. Management can see to that by the way follow-up work is structured. These techniques must be applied on a large enough scale to create a critical mass that makes a difference.

Ethics, in this company, needs validation and reinforcement. It is a source of strength for the company and for its culture, and everyone should be proud of it. It is the employees' obligation as human beings, far more than as businessmen and businesswomen, to maintain this deservedly high ethical profile.

Courage is, of course, a tough issue in any company and in its supporting culture. In many instances, courage is not even manifested at the very top. In this company, however, it clearly is. But too many people choose lethargy and alienation over courage, and the others choose security. The most difficult thing in the world is to instill a kind of corporate patriotism in a company. In the case of this company, the solution is to insist that the executive committee clearly model courage, even if that means transferring some executives. Modeling courage is not a business decision but an existential human one. The executive committee is the Achilles' heel of this company. It needs all the support and stimulation it can get.

A mentoring campaign to instill vision and, especially, courage in the executive committee (based on members' self-interest) will have the greatest leverage for this company as a whole. Moreover, because the company's morale is not particularly high, the company's purposes and commitments should be raised to much nobler levels of significance so that employees can realistically be expected to be loyal to worthy ideals while they devote themselves to the company. The higher the purposes that employees, including the executive committee, can fulfill in working for Company A, the more effective the total organization will be. This company must redouble its efforts to become a visionary business, not so much in the narrow sense of strategy as in the grander sense of mission. And its mission must have a very high moral content, for that is the strength of Company A in the first place.

To make these principles work in a school, for instance, standards and program offerings must be raised significantly. Teachers will be loyal to a true center of learning and to an exciting national

center of research. Reputation, learning, and ethics go hand-in-hand, and they motivate to courage. Raising standards of behavior, commitment, and performance—in short, raising expectations—can have similar consequences for our Company A.

## **The Leadership Diamond in Organizations**

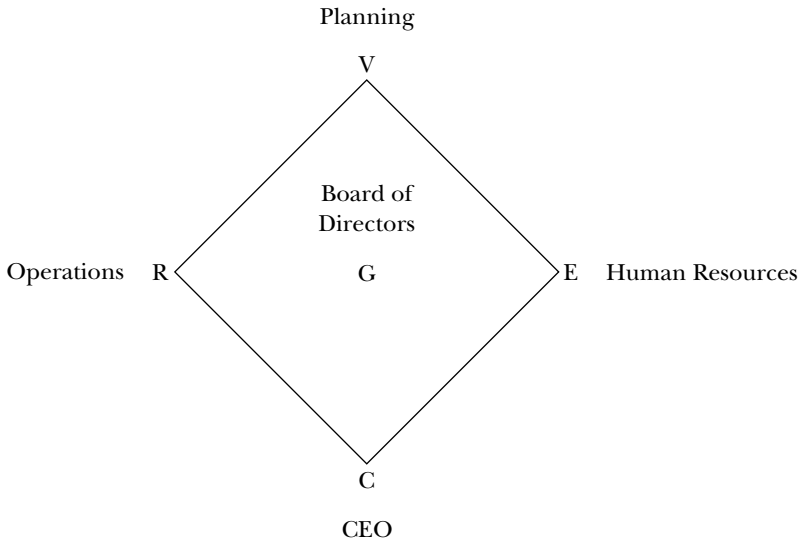
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The following diagnoses, developed by many different types of executives, serve as models for thinking in Leadership Diamond terms. They are classified into several loose categories. You should develop your own set of diagnoses to ensure that you will, in effect, have taken the “oath of leadership,” that is, made a commitment to view your leadership concerns in the Leadership Diamond format. The least you can expect is to double your leadership effectiveness on any measures you choose.

### **Diagnoses of Business in General**

In a typical company, one executive argued, the planning department represents the vision strategy and a good portion of the reality strategy. Operations concerns itself principally with realism; human relations works with ethics. Courage is the responsibility of those who spend the money and make the decisions, and that task falls principally to the CEO or to the management committee. Finally, to oversee greatness is preeminently the task of the CEO and the company’s board of directors (see Figure 11.1).

Another executive directed his attention to the search for root causes. He believed that often the wrong problem is addressed. The analysis or the solution system is either too narrow or too broad, too superficial or unnecessarily deep. An energy company (his example) requires public and political support to maintain its nuclear capability, which is threatened by popular antagonism to nuclear power. What should be the company’s strategy for dealing with conflicting values and contradictory claims on the loyalty of its scientists and technicians? Should it be to cultivate influential political figures? To advertise? To seek favorable press? To lobby for favorable legislation? To become political and join the anti-nuclear or the pronuclear forces? To maintain a low profile, that is, to discuss the issues as little as possible? The debates at high lev-

**Figure 11.1. One View of a Typical Company**

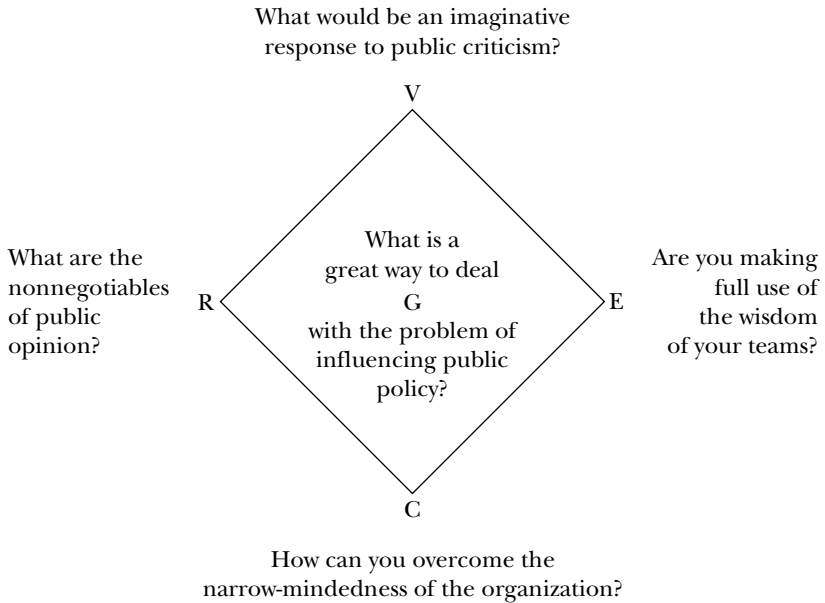
els of management are endless. The root cause of this company's confusion, however, may not be where its people are searching for solutions.

This executive argued that the company was no longer an energy company (that is, a company that mines, purchases, or develops energy and then distributes it). Was it an energy-service company (one that provides for the multiple energy needs of a community through a comprehensive, "package" approach)? He said it was more like a consulting firm, and its actual business was to advise government, business, and the public about the complex truth of the energy situation and then offer its clients a full range of solutions and be thoroughly professional in doing it. Just as a heart transplant is not a policy issue but a medical matter, so energy problems and their solution ought to be comprehensive, scientific problems, not narrow political problems. Just as a cardiologist advises without making policy (ethical judgments), so the energy company should become an adviser to governments and not make or even influence policy, this executive said.

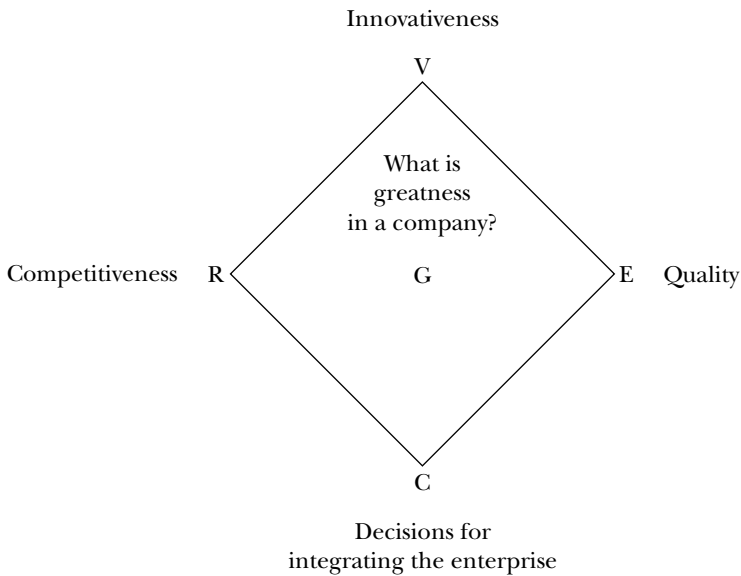
The redefinition of the energy company as a consulting firm of the highest ethical probity would, he thought, be the first step toward solving its problems, for that redefinition would address the root issue. If that issue could be resolved, the company's problems could be addressed. In his opinion, a mind trained in the Leadership Diamond model would be able to move from unsolvable to solvable problems. He then used the Leadership Diamond grid to stimulate the uncovering of root causes.

What, he asked, should be the company's visionary strategy in response to popular doubt and antagonism? The leaders must ask the following questions: Does the problem, as stated, reach the right level? Is its formulation too general, or is it too detailed and specific? What is real? Does the formulation of the problem take account of all realities, of all constraints? Or does it see only the immediate constraints (governments and public opinion do change)? (The true long-term constraints may in fact be the danger of extinction of the human race.) What is ethical? Has the team approach been properly explored? (Remember, the belief that you are not free to be a genius can be a constraint in itself.) What about courage? Is the organization afraid to change its narrow procedures, its customary ways of thinking and behaving? Is the company's lack of clear ethics with regard to nuclear energy mere inertia? (It always takes courage to reach and confront root causes.) Does the organization ignore the fact that it is one of the agents creating a future for us all? That it must act, not just react? What about greatness? Are senior managers looking for a breakthrough and challenging their minds to genius-level performance? Or are they satisfied (which is, of course, acceptable) with incremental improvements alone?

The central question, this executive said, was, "What is a *great* way to deal with the nuclear-power issue?" Specifically, are you being visionary? What are the dimensions of realism to consider? What is the spectrum of ethical issues, questions of sensitivity and service, of morality? Finally, what acts of courage must you and others perform to deal authentically with the nuclear-energy controversy? If the company, not satisfied with incremental answers, were to seek breakthroughs, then, he felt, there would be the best chance of its making the kind of leadership progress required by today's complex business climate (see Figure 11.2).

**Figure 11.2. The Search for Root Causes**

Another executive asked, “What are a company’s focal concerns?” What are some of its major strategic themes, as generated by the Leadership Diamond? Figure 11.3 is her diagram. Integrating the enterprise, she maintained, is both horizontal and vertical. It means to connect the business geographically with other regions or countries and continents and to relate it to other industries, even those apparently distant from its own products. A pharmaceutical company such as hers, for instance, should be in touch not only with its own industry but with, let us say, the entertainment industry. The latter creates or responds to popular trends and perceptions (as in medical programs), which is critical knowledge for sales strategies. Integrating the enterprise also means to connect it vertically so that the boy who delivers the interdepartmental mail and the chairman of her board understand how much they depend on each other’s commitment to high performance in their respective roles. Integration, she felt, requires great courage. It means one must make decisions about major investments in

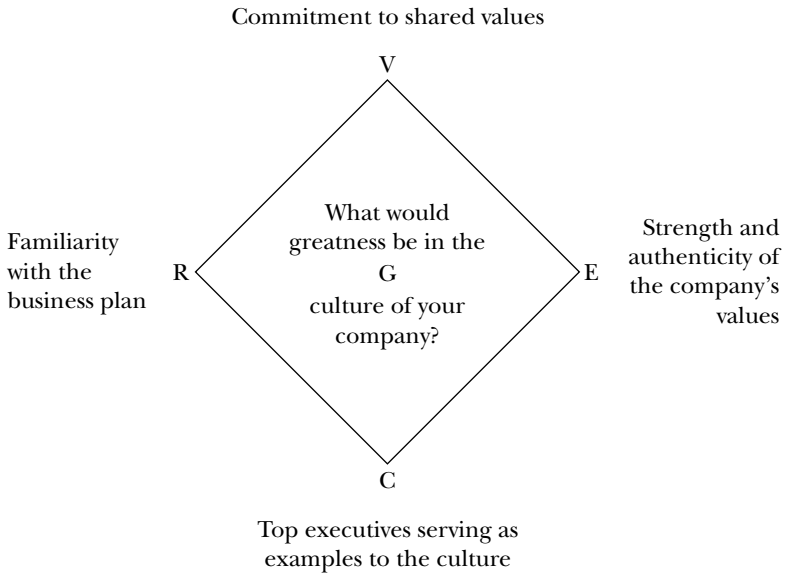
**Figure 11.3. Focal Concerns**

money and people, and it often may mean reorienting the direction of the entire company. You meet the competition with innovation, she said, and you promote quality because you believe in people and service and because you take pride in how you live your life. Everyone, she said, knows that these things need to be done, but few have the will and the courage to act and make a real difference. The successful executive is willing to make these difficult choices.

Let us now study an example that directs the Leadership Diamond toward corporate cultures. Corporate cultures, in the opinion of another executive from an insurance company, can be assessed according to the criteria shown in Figure 11.4. The four dominant leadership strategies represent one answer to the question proposed by greatness.

Let us consider another executive's specific example along the same lines. Suppose that two entrepreneurs, the executive and his partner, buy an ailing company with five hundred employees. Its founder-owner has stayed on too long, and the company's credi-



**Figure 11.4. Corporate Culture**

tors fear for their investments. The commitment of the new, youthful, energetic owners is to reclaim the old glory of this once-distinguished corporation. In addition to providing innovation in marketing and realism in financing, they must pay attention to the culture they have just purchased. The sale of a company can be traumatic to its employees, and the value of the company is preserved and enhanced by retaining its experienced employees, rekindling their loyalty, and reawakening their enthusiasm.

Using the Leadership Diamond grid method to generate strategies for the revitalization of the business, the entrepreneurs feel that the new management team must first of all familiarize the organization with the new business plan, one designed to save jobs, raise salaries, and restore employees' dignity—the very plan that promoted the credits to approve new loans. The plan submitted to the bankers included provisions for special care for employees. It was a plan the bankers themselves could understand and cherish. In fact, the bankers' first questions were, "How good is the leadership of the company?" and "How do they treat their people?"

Furthermore, the employees must be firmly challenged to take a personal interest in the business plan, for all members of the new company are partners in its execution. Only to the extent that employees are in realistic contact with the operation of the total company and its large economic context, understand the rationale for the business plan, and, above all, feel close to the final and actual customers can the new management count on a dependable and mature workforce.

The shared values must be a merger of the old ones (which the new management team needs to respect) with the new ones that the new management team brings to the organization. If the new team's values are not yet clear, even to the teams themselves, then now is the time and here is the opportunity to make them clear and real. Finally, the two sets of values, the old and the new, must be integrated into one partnership of shared ideals. Only to the extent that these values are indeed authentic human virtues—not greed or selfishness but service and caring; not self-serving arrogance but exemplary statesmanship—can the corporate culture make a significant commitment to its new directorate.

The new top executives know that they must serve as an example, partly by their serious engagement in the ethics program of their new company. One proof of their commitment to serve the company will be the devotion of the new management to hard work—very hard work—to demonstrate dedication to solving the innumerable and taxing problems that have now descended upon them: creating and installing a marketing plan that works, satisfying creditors, risking their own future, understanding the needs of employees, making decisions that require significant courage, even risking their own lives. It is with their own lack of sleep—their own sweat, blood, and tears, as it were—that this new management will show its devotion to the old employees.

Another executive, this one in the wholesale food business, chose leadership effectiveness as his topic for diagnosis. Next is his description of it, as suggested by the Diamond. Leadership effectiveness requires skill, of course, and executives without it could never last in positions of managerial responsibility. Skill means that they understand the basic techniques and practices of effective leadership: setting up management systems, concerning themselves with

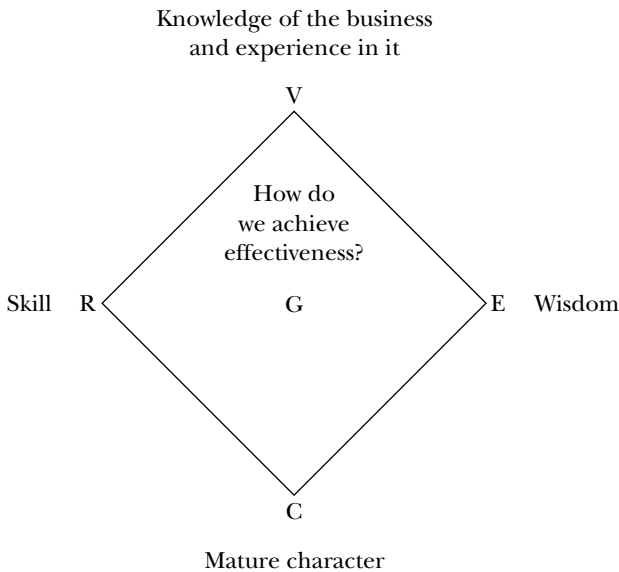
morale, getting the job done, balancing sternness with human cordiality, setting up incentives, being conscious of the importance of discipline, supervising, and motivating.

Effectiveness in leadership also requires knowledge and experience; leaders must know their business, their industry, their profession like experts. They must be well trained in what it takes to do what they expect their subordinates to do. Engineering managers must know engineering; deans must know the professors' subject matter; dentists and physicians must know their science exceptionally well, and lawyers must know the law. Such knowledge requires experience. We all know the homilies that experience is the best teacher and that there is no substitute for experience, but we must also bring these hackneyed maxims thoroughly to life.

Effectiveness also requires personal maturity. Leaders must be grown up, or they cannot earn the respect of their subordinates. Leaders are people who place the needs of the organization above their own. They do not say, "I want to become president of this company, and I want to benefit" but rather, "I will support what this company needs for its success, for then everyone benefits." Maturity means service, not selfishness. Mature people are easy to get along with. They are not neurotic, jealous, petty, or irrational.

Finally, effectiveness requires philosophical wisdom. That means depth—understanding the human condition, seeing things in perspective. To have such wisdom is to find the deeper meanings, to understand human frailties, to know that colleagues and customers are concerned with death and freedom, guilt and love, and not just with profits, advancement, and greed. Summarizing his position, this executive said that, in this context, the definition of *greatness* is *effectiveness*. Skill is the meaning of realism. Wisdom is found in ethics. Maturity implies taking risks; it means courage. Knowing the business becomes, from a very pragmatic point of view, the vision (Figure 11.5).

We cannot forget to diagnose vision in companies, for that is a central aspect of their general structure. In conclusion, let us therefore look at a large chemical company whose executive committee organized their vision statement by establishing three categories: (1) profits (the success of the business), (2) people (employees,

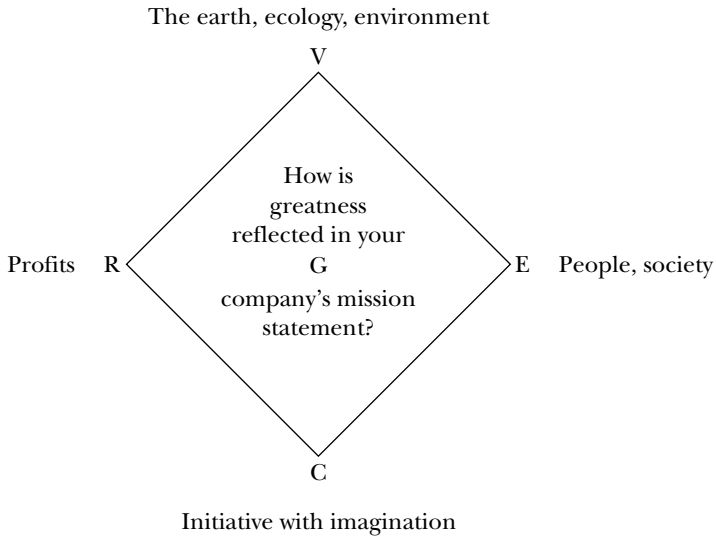
**Figure 11.5. Greatness as Effectiveness**

suppliers, and customers—in short, stakeholders), and (3) the earth (ecology—protection and restoration of the environment).

In this company, all decisions must be measured against these three socioeconomically significant criteria. What is more, there is an independent audit for each one. Not only do accounting firms monitor their profit-and-loss statements, the stock market will eventually demand it. There are also independent auditors for the company's people and social consciousness, as well as for achievements in this area. The consciousness of ecology and environmental sensitivity are likewise monitored by an appropriately established independent agency. Carrying out the demands of the vision statement requires initiative with imagination. This company's Leadership Diamond looks like Figure 11.6.

### Diagnoses of Functions

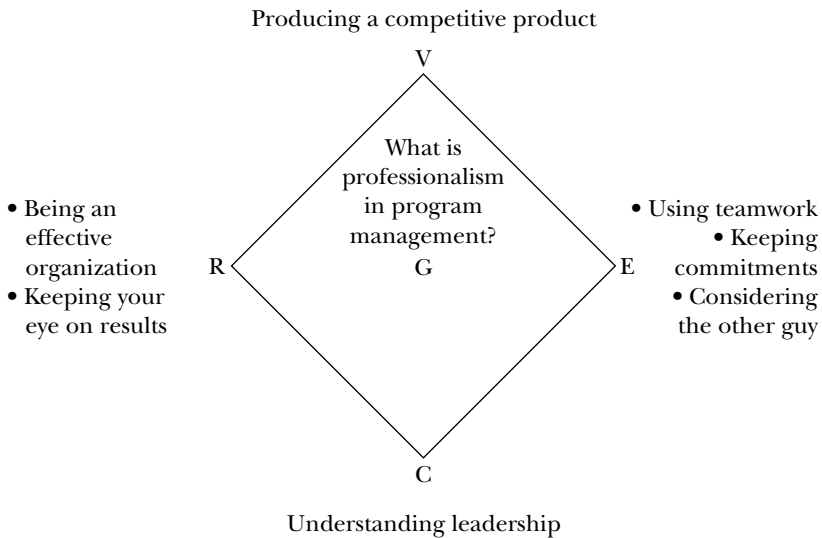
Organizations, divisions, or functions within companies were diagnosed by a set of executives with the Leadership Diamond grid method. They were program managers of the product-development

**Figure 11.6. Mission**

department of a large manufacturing company. Their complaint was that managers did not keep commitments and forgot promises. They did not show concern for the problems they caused people down the line and elsewhere in the organization by not having satisfactorily completed their own tasks. A total picture would look like Figure 11.7.

This example shows how the fundamental needs of program managers, the desiderata listed earlier, can be fitted around the four corners of the Leadership Diamond.

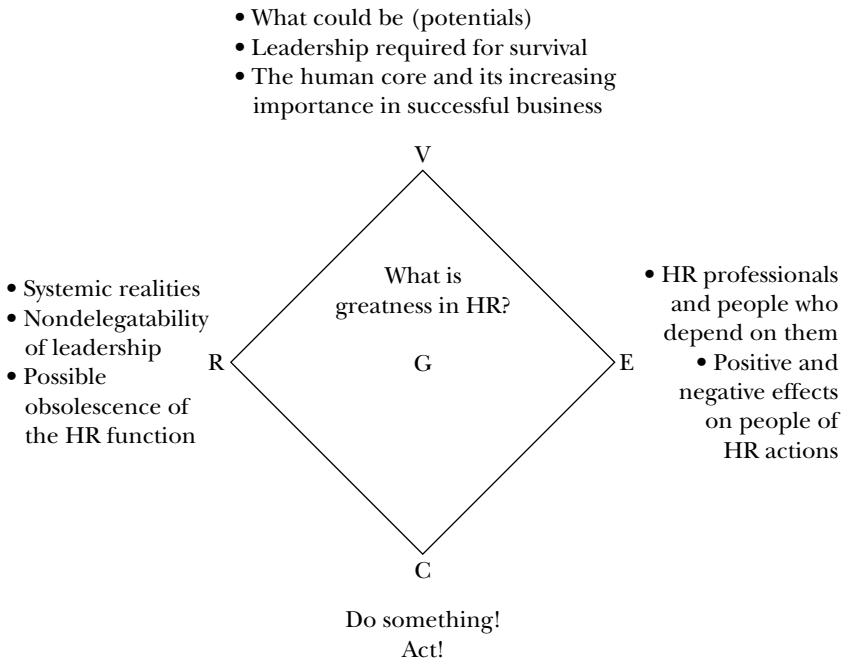
Another set of executives took a diagnostic look at the human resources function in corporations (at least, one group's opinion about the current situation). These executives believed that the vision of the ideal human resources function can be limitless. Human resources departments deal with the prime ingredient of business: people. How we manage people should be the highest priority of any organization. Employees need to find meaning in work. They need to grow toward their fulfillment. They need to become self-realized at work. In short, they need to know that their organization's business objectives coincide with their own deep

**Figure 11.7. Program Management**

needs as human beings. These needs are four: (1) creativity, (2) an immortality project or a legacy, (3) integrity and character, and (4) validation. The workplace must express that. It is the joint responsibility of employees and management to set up a workplace that imaginatively meets these criteria. Not only will business prosper as a result but, in the end, there is no other way for business to prosper; where people grow, profits grow.

This group felt that its human resources function might well be on the way to obsolescence. The realities of business have changed from the days when human resources are instituted. The problem is systemic, not personal. In most organizations, human resources executives are among the best trained and most devoted members. They see their role, however, as becoming self-contradictory, creating problems for the personnel department as well as for those it serves.

These executives' core issue was their feeling that leadership could not be delegated. Besides labor relations, training, and benefits, the central obligation of human resources is to assist line and

**Figure 11.8. The Human Resources Function**

operations managers in leading. Not infrequently, line managers would just as readily delegate that onerous task than discharge it themselves; they claim they have work to do. When is there time for leadership? There are, of course, sterling exceptions, but whenever leadership is delegated to human resources personnel, the effect can be disastrous.

The ethical issues concern human resources professionals as much as the people they serve. Much noble effort is spent by the human resources function to find ways of improving its professionalism and increasing its effectiveness in managing people issues. This seems to be developing today into the ethical dimension. These professionals need and deserve everyone's appreciation and cooperation. Courage, they concluded, is always the same. Do something. Act. Take the initiative. Get results. (See Figure 11.8.)

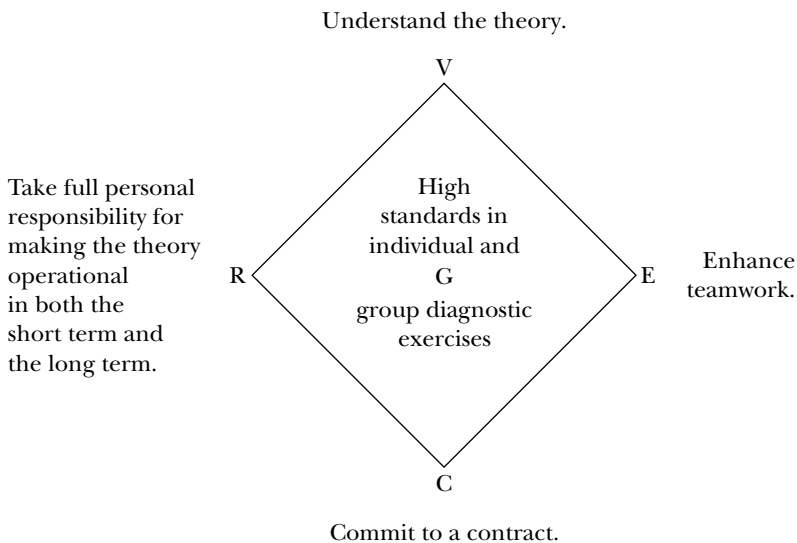
## Diagnoses of Training

One set of executives used the Leadership Diamond grid to design a seminar for the management group of a large engineering and manufacturing facility. The participants have two functions: they are both project managers and line managers. Their need is to become more effective as an organization and to greatly increase productivity. Their productivity requirements are measured by three criteria: (1) on-time deliveries to their internal and external customers, (2) reduced costs in development, but especially in manufacturing, and (3) quality engineering solutions; through styling and design, they can lower manufacturing costs and, more important, be competitive in the market. This group's diagnostic model is shown in Figure 11.9.

In the order of their presentation in the seminar, the following are the points the group wants to cover. Each one will be amplified with appropriate exercises.

1. The *vision* of such a seminar is understanding the theory—in this case, the Leadership Diamond model. Without adequate the-

**Figure 11.9. Leadership Diamond Used for a Seminar**





oretical preparation, leadership work is in danger of being amateurish instead of professional. Even though executives are impatient to act, which is good, they must nevertheless take time for theory so as to remain competitive. No one hires an engineer who is not trained in theory.

2. The *ethics* of such a seminar is to enhance teamwork. Teamwork is part of every other aspect of such a seminar. For instance, the discussion of theory consists, first, of small-group work and only later of general discussion. Right at the outset, participants practice teamwork. More intensive teamwork can be stimulated later, after the seminar cycle is complete, by sharing personal leadership diagnoses. In practice, this means that I diagnose myself, and you diagnose me, and then we compare notes. This process is then reversed so that you diagnose yourself, I diagnose you, and then we compare notes.

3. *Reality*, in this seminar, is perhaps the pivot. It is to challenge each individual, then the full group, to take full personal responsibility for making the theory operational, in both the short and the long term. Each person is asked to give a few examples of precisely what he or she can do the day after the seminar to make the Leadership Diamond principles live in that part of the organization for which he or she is immediately responsible. Then more examples are requested for long-range planning. To make the theory come to life may mean one small incremental improvement in process, or it may mean the courage to install a breakthrough innovation.

4. The sense of *greatness* in leadership is touched by two critical exercises, one in personal leadership diagnosis and the other in organizational diagnosis. The first enhances individual responsibility; the second, teamwork. Both individualism and teamwork require the spark of greatness in the modern organization.

5. *Courage* means to challenge the group to draw up a contract. First of all, each member makes a contract with him- or herself. Beyond that, the group members make a pact among themselves. The nature of it varies, from the extreme of resigning jointly if they fail to lesser agreements that intensify mutual commitments. The final contract must have teeth—sanctions. There must be consequences for violation. The currency is emotions; there must be approval for meeting expectations and disapproval for betraying them. The appropriate phrases in the contract might read, “The

team members expect the leader to implement the contract; otherwise they will feel betrayed. Furthermore, the team expects that every one of its members will help the leader implement the contract; otherwise, team members will have betrayed themselves.” Such contractual results cannot be imposed. They can be guided into existence, suggested, but the force that realizes them must always evolve from within—from the desire to succeed, from the quest for greatness in people’s work.

From time to time, organizations need to check how well they are meeting the leadership challenge. One way is to devise, as one organization did, a quarterly greatness review. This organization uses the Leadership Diamond grid to measure its performance. One review is directed to team performance, another to individual performance.

Greatness can be found in how well the group supports its leader and, conversely, in how well the leader supports the group. The leader’s support must be internal, such as by coordinating group work, and external, such as by representing the group to other divisions of the organization, to upper management, and to unions, as well as to customers, the government, lawyers, stockholders, and suppliers.

Vision can be tested with one simple question: Are we losing sight of the larger perspective?

Reality means project review. Whatever the group’s task is—whatever is needed to satisfy the customer, internal or external—is the project. It may be to devise a process, create a product, or provide a service. How are we doing with the product we must deliver? That question, asked daily, must nevertheless be repeated during the greatness review.

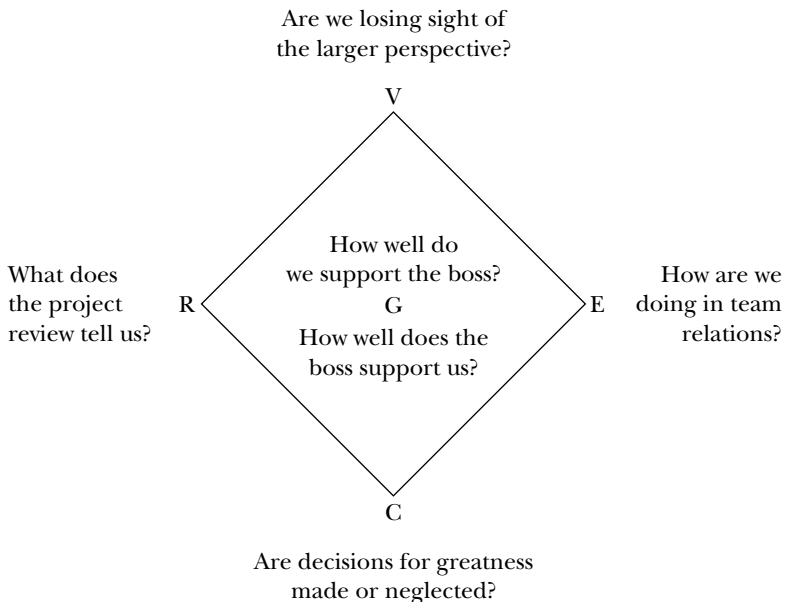
Ethics means checking on conflict resolution, feelings of emotional support, the status of team spirit, and the quality of personal relations among the members of the team. The team also discusses whether every member of the team displays personal ownership of the team tasks, takes personal responsibility for making significant contributions to the team, and feels accountable for the success of the team.

Courage means sharing with each other decisions for greatness that, over the past three months, were made or neglected, have been accomplished, or are now overdue. This organization devel-

oped a general model for the quarterly greatness review, shown in Figure 11.10.

Here is a final training example that demonstrates how damaging the lack of leadership development can be to a company. A company hires four promising graduates of a business school as trainees. A supervisor is placed in charge of them. The company invests much money and time in developing them. After a while, the trainees are dissatisfied. Their primary complaint is that their supervisor, although technically very competent and a nice person, has done nothing significant to help them in their professional development. That leads to numerous irritations, so that, by two and one-half years into the program, all of the trainees have resigned. To the company, this situation is a double catastrophe: wasted investment and lost future business. The question of how to deal with such mismanagement must be examined from the perspective of several different subjectivities (stakeholders): the supervisor, the supervisor's boss (a vice president), each trainee, the company's CEO, and the consultant engaged to manage this situation.

**Figure 11.10. Quarterly Greatness Review**



We have here a pristine example of a supervisor who ignores the fundamental principles of Leadership Diamond management. The supervisor's responsibility is to teach leadership to the trainees and by releasing in them the leadership mind, or leadership intelligence. It is to empower them to think and act the way leaders do. It is precisely those employees who were interested in leadership intelligence who have left. Those who stayed may not be similarly motivated to think and act as leaders do. The company, however, needs nonleaders to go and leaders to stay.

The supervisor should have raised with all trainees the issue of whether their professional lives were developing as expected. For example, he should have

- Explored vision (What are your visions of yourselves, your future? Is your work connected to them?)
- Discussed ethics (Do you feel that I am listening to your visions, that the company hears your visions and cares enough to try to respond to them? Do we care enough about you to train you? To give you opportunities for growth?)
- Asked questions about reality (Are we, in this department, truly professional? Is the company? Are you learning the business while working here?)

Some small companies cannot compete with larger organizations in the professional experience they offer to their employees. To aspire to offer precisely that, however, is a company's or a department's best possible stimulus to excel. That is one solution. Not to hire trainees who are overqualified is another. Still a third would be to have a moral agreement regarding how much trainees should contribute overall to the organization that trains them and makes them more marketable.

The dimension, or strategy, of courage means, principally, having the good sense to pursue leadership intelligence development vigorously (in addition, of course, to carrying out daily business routines). Is everyone (that is, every concerned stakeholder) taking full personal responsibility for organizational success?

The trainees' responsibility, if they are properly mentored in leadership intelligence, is to succeed against all odds: assume autonomous responsibility to define their own jobs, seek interesting

assignments, support their colleagues, make their supervisors successful, help the company, and be loyal. Looking out for themselves alone would represent the same kind of narrowness of which the trainees accused their company. In short, trainees are as responsible for applying Leadership Diamond principles to their own behavior, with respect to the company, as the company is for applying those principles to employees.

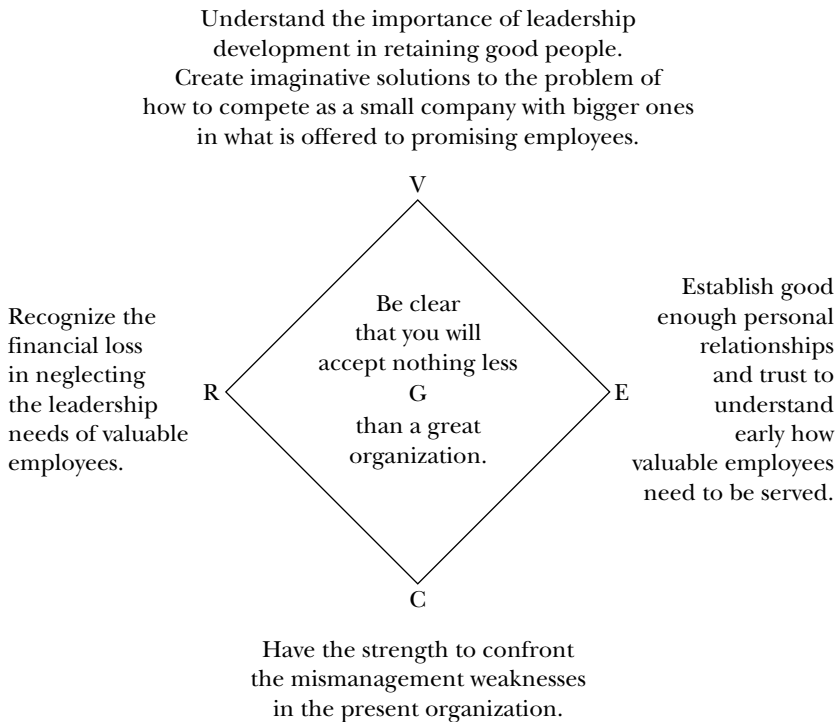
The CEO must see to it that his company is thoroughly professional and, although small, capable of competing with the biggest when it comes to the sophisticated and advanced services it offers customers. To remedy the structural defects that were the trainees' reasons for leaving—that is, to provide more opportunities for learning, self-development, and advancement and, above all, better examples of leadership greatness in management—also constitutes an answer to the fundamental profitability problems of the organization itself. Thus to meet the trainees' demands for themselves is also to improve the company's overall performance.

What now? The problem has cost the company \$1 million. Let the learning that the company derives from this experience be worth \$2 million so that the whole episode turns out to be a good return on investment. In fact, the company can choose to get new trainees, fire the supervisor, and double its expectations of new hires. The consultant's diagnostic diagram is shown in Figure 11.11.

## Diagnoses of Values in Business

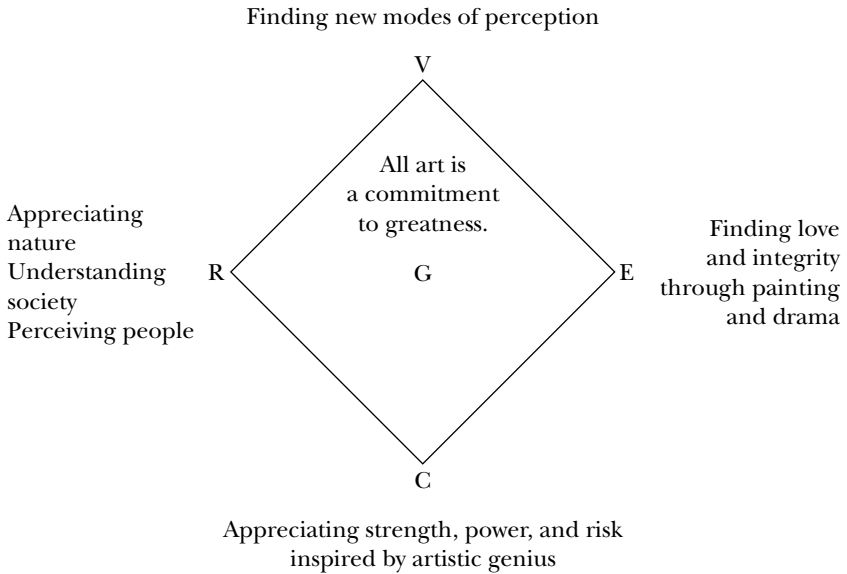
Continuing with this loose classification of diagnoses of business situations, we now take a look at values and what happens to them when seen in Leadership Diamond format. Let us first consider an example of the arts in business. A museum curator and part-time business consultant comes up with the following practice diagnosis of the arts.

The arts enhance the meaning of greatness in leadership, with power unequalled by any other medium. Vision is the hallmark of the arts. The artist creates the symbols for tomorrow. Art—poetry, painting, music, sculpture, architecture, drama—thrives on innovation. Art is dedicated to new modes of perception, to breaking through the barriers of old habits. When visiting a museum, one can move from a room of Flemish paintings, with their gray and

**Figure 11.11. Solutions to Lack of Leadership**

dark colors, their depressed-looking figures, and their people suffering poverty and oppression, to the next room of expressionist paintings, full of vigor and color and craziness. Art helps us burst out from tradition and welcome the revolutionary newness of the visionary spirit of human beings.

Accurate perception of reality is also one of the roles of art. Art, for example, puts us in touch with political realities (Goya's *The Disasters of War*; Picasso's *Guernica*), connecting us with the realities of nature, as does El Greco's *Storm over Toledo*. Picasso held that the artist is a socially conscious being, a "political being, constantly alive to heartrending, fiery and joyful events" (Piper, 1986, p. 666). Edvard Munch's famous painting *The Scream* connects us with emotional reality. Naturalism, impressionism, pointillism, cubism, expressionism—all these are schools of art that dramatize the re-

**Figure 11.12. Art and Greatness**

ality of the perceptions that our interpretations distort. Do you want to know the truth? Do not view the world with common eyes; use your sensitive, artistic eyes instead. Then you are in touch with what is real.

Ethics also means love and integrity. An operatic aria from Puccini's *La Bohème* or Mozart's *Don Giovanni* perfectly illustrates the tenderness of love. Some symphonies, like Beethoven's Third and Fifth, are memorable statements of ethical integrity.

Courage is powerfully illustrated in Delacroix's *Liberty Leading the People* and David's *The Oath of the Horatii*.

To underscore the significance of each Leadership Diamond point, what can serve us better than using the arts for what they were meant to signify in the first place, namely, greatness? (See Figure 11.12.) In the year of his assassination, President John F. Kennedy wrote, "The life of the arts, far from being an interruption, a distraction, in the life of a nation, is very close to the center of a nation's purpose—and is a test of the quality of a nation's civilization" (appears on the ceiling of the Kennedy Library in Boston).

Now let us consider team spirit. One consultant uses mythology to promote team building. Team spirit, she contends, can be enhanced by an understanding of the language of the mythology that expresses its anthropological origins. The need to be a team is more than purely pragmatic; it is the residue of our tribal instincts. To the extent that an organization can respond, even marginally, to the unconscious memories of our tribal ancestry, it will receive our loyalty. Leaders need to explore how their teams can approximate satisfying the central human needs common throughout the history of mythology.

Humanity began when humanoids became aware of death. Here was the first step from consciousness to self-consciousness. It occurred 1,800,000 years ago, when these creatures set up mounds and buried artifacts to remember their dead. They evidently began to reflect on the fact that there is death, and they responded to this first insight. They thought about death and commemorated it. This marks the beginning of self-consciousness, in the form of mythology as early philosophy. Campbell (1984) suggests five universal and mythological (and therefore philosophical) themes: (1) to have an answer to death, (2) to participate in something greater than we are and that existed before us and will exist after us, (3) to be the chosen people, to be special, (4) to give meaning to existence by explaining life, including the mystery of creation, and (5) to value and support one's independent individual identity, as in the hero myths. These ancient themes are also corners of the Leadership Diamond. The need to face death is a confrontation with reality. Death is the clearest example of the finality of what is real, the impenetrability of our limits. To participate in something greater than we are, something that endures and that was here long before we were, is a form of vision. Vision is expansive, and visionary thinking moves both forward and backward into the realms of infinity and eternity. The need to be special, to belong to the chosen people, is the meaning of greatness. You are chosen by how you face the reality of death, chosen by the stature of the group to which you belong. The meaning of life—the discovery of your reason for being, your destiny in this world, the explanation of your moral code, your need for wisdom—concerns the ethical strategies of the leadership mind. Finally, to be an individual is the ultimate act of courage, for didn't the first man and the first

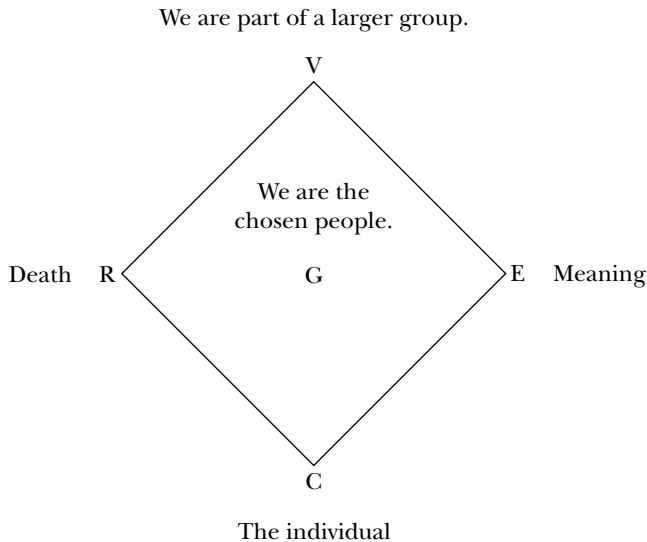


woman defy God in the Garden of Eden and thereby affirm their own separate existence? Expelled from Paradise, didn't Adam and Eve have to face the final act of courage in how they made a lonely life for themselves? (See Figure 11.13.)

## The Use of Multiple Intelligences

Finally, let us consider the phenomenon of multiple intelligences. A further example of practicing Leadership Diamond technology is to take the theory of multiple intelligences (Koestenbaum, 1987) and translate it into the Leadership Diamond model. There are eight ways of being intelligent, eight ways of perceiving the world. This is a democratic and a mind-expanding notion. The names of these eight intelligences are *logical* intelligence, *esthetic* intelligence, *somatic* intelligence, *marketing* intelligence, *transcendental* intelligence, the intelligence of *wisdom*, *team* intelligence, and *motivational* intelligence. Each is different in kind, and each is equally important. Each is also an aspect of the strategies of the Leadership Diamond. Ask yourself how your organization is using these

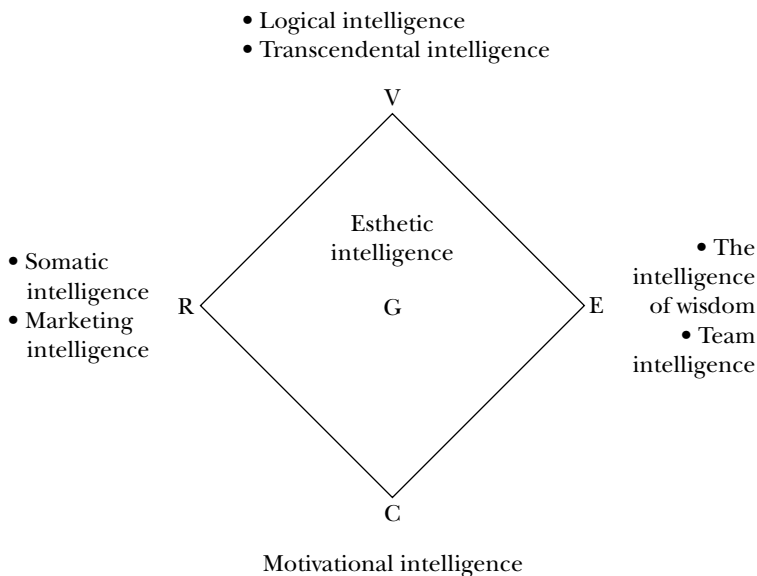
**Figure 11.13. Mythology and Greatness**



intelligences to increase the effectiveness of its strategies. By enhancing these intelligences, we can enhance the corresponding dominant leadership strategies.

Vision, for example, can be improved by promoting logical intelligence (abstract reasoning, visualization, analysis) and transcendental intelligence (consciousness as fact, nonattachment, exploration of inner space-time). Reality can be improved by practicing somatic intelligence (the language of sensuality, muscular dexterity and strength, kinetic orientation, physical and nutritional health) and marketing intelligence (survival, systems, wonder, flexibility, adaptability). Ethics can be strengthened by further developing the intelligence of wisdom (experience, communication skills, philosophy of life) and team intelligence (identity through community, service, working through and with others). Courage is mostly motivational intelligence (the preeminence of action, self-energization, will, greatness). The ideal of greatness itself, underlying the full theory of the Leadership Diamond, can be enriched through esthetic intelligence (verbal, musical, pictorial), for metaphor empowers whatever it touches (see Figure 11.14).

**Figure 11.14. Multiple Intelligences**



## The Third World

A worthy conclusion of these illustrative analyses comes from a business and political gathering, held in Latin America, where the fate of the Third World was discussed.

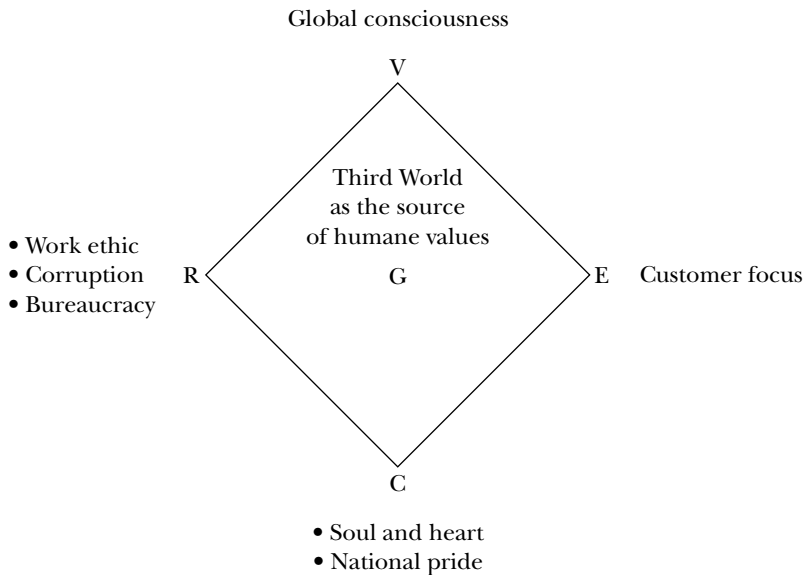
A Third World industrialist needs global consciousness. Even more than industrialized nations, Third World countries must be fully aware of what occurs in the rest of the world. What happens there deeply affects events in the Third World. One example is the price of petroleum. The disposition of the Third World debt, which depends on decisions made by First World governments and banks, also affects how the fate of the Third World is sealed. It is therefore a critical need of Third World business executives to manage their relations well with the industrialized world. These are all matters of vision.

Realism, in the Third World, means to size up economic problems in terms of the idiosyncrasies of the local culture. It means to face up to the work ethic, bureaucracy, and corruption. (It has been theorized that the absence of a viable work ethic in parts of Latin America stems from the three sources of the population: the Spanish *conquistadores*, who had no interest in work, for they were lords and plunderers; the black slaves imported from Africa, for whom work was punishment; and the Indians, the natives, who were nomads and hunters, and to whom the discipline of work made no sense.)

The ethical dimension is customer focus. What matters is that the customer's needs are met, not adherence to bureaucratic rules, and the Third World business culture must learn and promote this.

Courage in the Third World means determination and perseverance. It means never to get discouraged, as well as idealism and patriotism, national and ethnic pride. Courage means to grasp the strengths of that region. A Third World country can have the ambition to be a leader in the Third World, for the Third World can mediate in world politics; few other nations qualify.

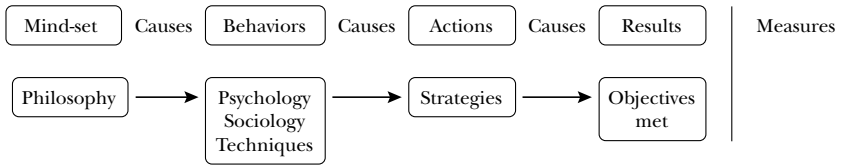
Finally, one can argue that the Third World is sensitive to culture, tradition, philosophy, human warmth, and the importance of art, mythology, and religion. The softer side of human nature, the spiritual dimension, the realm of inwardness—those treasures of humanity resonate in the souls and hearts of many of the people

**Figure 11.15. The Third World**

in the Third World. These represent their strengths, their greatness, from which can arise a true contribution of the Third World to the entire world (see Figure 11.15).

### One More Word About Philosophical Depth

Among management approaches, the Leadership Diamond model is positioned as the mind-set (the attitude, that is, the way of thinking, perceiving, and experiencing, and the philosophy of life, the belief system, the world design or metaphysics) that underlies an organization's success. The Leadership Diamond attitude is necessary to and is the critical success factor in understanding and implementing the behaviors (visible, describable, teachable, and measurable) that are recognized as managerial skills and that lead to certain actions, that is, strategies, tactics, plans, and programs conducive to the consequences that accomplish the organizational objectives. Furthermore, to reinforce motivation and for the sake of professional precision measures must be introduced. This complex chain can be represented in a flow chart (see Figure 11.16).

**Figure 11.16. Leadership Diamond Flow Chart**

What is philosophy? Philosophy deals with the purely human, with the eternal questions, and, in the language of the German philosopher Immanuel Kant, with immortality, love, justice, that is, with God, meaning, and consciousness.

Philosophy represents the in-depth mind-set required for leadership. At the level of behavior, we resort to the techniques developed by the behavioral sciences, among which are psychology and sociology. But to understand them, we must return to the regions of depth explored in philosophy. The actions recommended or taken by this process are strategies and practices. These, we hope, will lead to results, which should be the business objectives of the organization. To make sure that we know what we are talking about, we require measures; we must monitor results. Thus the philosophical roots of the Leadership Diamond strategies are seen most clearly in the philosophic-level tactics, or resources.

The philosophical roots of an executive's capacity for visioning we find in the structure of pure consciousness—a field that requires both conceptual and experiential training in philosophy for its exploration.

The philosophical roots of the reality strategy lie in the connection between the ultimate subject and object of all experience, the intricate yet mysterious dance that occurs between what is experienced as *me* and what is *not me*, and the desire and the fear that exist in the tension between these polar opposites. Reality, as direct contact, is the mysterious stress between self and world, between here and there, between subject and object, between the inner and the outer worlds, between male and female, young and old, between (in the immortal words of Martin Buber) the “I-Thou” and the “I-It” (Buber, 1970).

The philosophical roots of ethics lie in what Kant ([1781] 1969) so aptly expressed in the conclusion to his *Critique of Pure Reason*: “Two things fill the mind with ever-increasing wonder and awe, the more often and the more intensely the mind of thought is drawn to them: the starry heavens above me and *the moral law within me*” (italics added).

Finally, the philosophical roots of courage lie in the full understanding of freedom as the ultimate structure of our being. Freedom explains the world, but the world cannot explain freedom.

The fundamental rule of health is that problems are created at the philosophical level of depth, and it is there that they are resolved. Significant change, therefore, can occur only to the degree that the mind returns to its philosophical source. In Leadership Diamond language, the best results come from activating the philosophical tactic of each dominant leadership strategy. Philosophy can reveal to us our most powerful resources.

## Diamond Relevance to Current Crises

The preface to this new edition of *Leadership: The Inner Side of Greatness* began by saying that interest in philosophy in business has grown since the first edition appeared a decade ago. In fact, philosophy in business has itself grown. Analyses based on the Leadership Diamond model have deepened and become more sophisticated—and more capable of getting us closer and faster to the bottom line. This chapter presents recent analyses of several current business issues where philosophy can help. For more impact on practical applications, we have changed the order of presentation, beginning with ethics and ending with vision. First, however, we briefly revisit some fundamentals of the model.

### Fundamentals of the Model

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What do we need in order to do good business? We need not only strategies and tactics but a culture that will implement them. And what matters in the culture is not only behaviors but the attitudes that shape behaviors. The foundational questions then become

- What attitudes must we promote?
- What attitudinal messages must we instill and install in an organization?
- What attitudes must we help liberate in the workforce in order to create the leadership personality profile—one that will not

only comply with the rules and behaviors but actually make commitments to the spirit of what needs to be done?

In terms of the simplest fundamentals, we need to consider several so-called deep structures of human existence. We need, for example, minds that understand the meaning of *ethics*—both of caring and of principle—and that have made ethics part not only of how they behave but of how they are, exhibiting that in their being as humans. Ethics means, among many things, love. Yes, there is a place for love in the workplace, not just exploitation and indifference, manipulation and opportunism, politics and Dilbert-talk.

Ethics needs to be counterbalanced with one of its opposites: reality. A leader knows that life is harsh and the world is unforgiving. We may not like it, preferring to be cared for within a warm family that loves us unconditionally. The truth, the rude awakening, appears when we discover the cruel jungle into which we are thrown, the indifferent competitiveness, the fickle recognition of our efforts to be good. We are abandoned in the world to test whether we can survive. That is reality. It exists to say no to you! It is there to defeat you! To be a leader is to win against the universal *no*.

There is more to leadership. We cannot blame others, we cannot feel sorry for ourselves, we cannot whine or whimper. We must stand up, erect and strong. Leadership is the spirit of the phrase, “Bury me standing!” That is courage—the courage to manage anxiety.

Nothing happens without courage. Courage is when we step out of the crowd and into the world and take a stand. We are not adults until we take such a step. Some will do everything in their power to avoid that step, to postpone it, to negotiate their way out of it, to delegate it. But until the leap of courage has been taken, no person has entered the realm of truly mature authenticated men and women leaders. In the end there is *vision*, the use of our brains, the capacity to grasp the big picture and see ourselves not only as of today but also from what Spinoza called “the aspect of eternity,” where we fit into the unfolding of history, and even beyond, that of geology and of stellar evolution. What was a minute to the quotidian eye becomes to the eternal eye a million years.

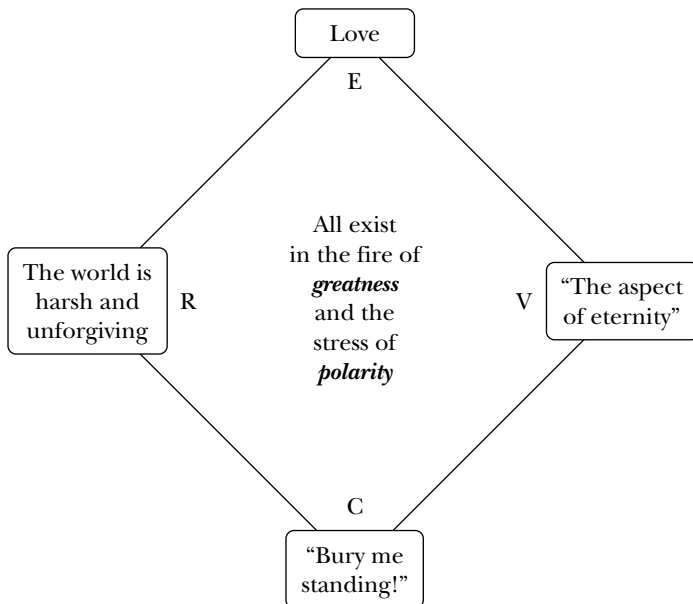
These so-called deep structures of human existence are not mere concepts. They are the sunburst of life itself, something we



call greatness. A leader's life is like a jazz outburst, the cornucopia of a Chihuli glass sculpture, the clash of trumpets and symphonic cymbals, where all themes duel at once in a din of frenzy. We call this polarity. For life is lived, not just thought. And when we write we must find ways to inject life into the lifeless words, energy into the anemic concepts, and flesh and blood into the skeletons that are the theories. We have to live with this contradiction: that what we must say we cannot say, for it is the act not of "saying by saying" but of "saying by doing." The Diamond in Figure 12.1 reflects this understanding.

But how do you apply the Diamond? Where has it worked? Wrong questions! No one can disagree that these are important and relevant questions. Application, after all, is the bottom line. What is genuinely productive, however, is to advocate the other side, that is, to look at these questions as symptoms of escaping personal responsibility. One high executive told me: "I have an easy life. I hire someone and throw money at this person. I go play golf,

**Figure 12.1. Contradictions in the Diamond**



and I expect good things to happen. If they don't, I replace the consultant or employee. That's leadership." These practical questions, as important as of course they are, nevertheless can be covert ways of saying that I find taking responsibility too much trouble, too anxiety provoking, and that I will therefore look for worldviews, for metaphysics that conveniently let me off the hook. "I am not responsible. You have to give me a method, a technology, that will make things happen automatically. All I have to do is read the manual. I don't need to face the anxiety of free choice." And what is it that I want to happen? Nothing other than that you coerce others into making the decisions in my favor that I want them to make!

It does not take a rocket scientist, as the cliché goes, to acknowledge that this is not only an immoral project but an impossible one. How would *you* respond if I were to say that your boss hired me to make you over into her image of you?

How does the Diamond work in practice? That is indeed a legitimate question. But that topic cannot be explored until we have aired the hidden agenda that may lie behind the question. When I say, without admitting it, that my happiness is your responsibility, then I have already demonstrated my lack of leadership.

Now we are ready to have meaningful conversations about applying the Diamond to real-life business issues. We begin with a Diamond-based analysis of selected early aspects, especially ethical aspects, of the scandal that followed Enron's 2001 bankruptcy. We then apply the Diamond model to a case involving marketing and strategy issues, which are pragmatic and are focused on the bottom line. Our third application deals with morale, culture, and people issues. Finally, we reflect on history and destiny, on the things that matter most.

## Case 1: Ethics at Enron

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Near the end of 2001, our national priority swiftly shifted from terrorism to the economy, and the focal point soon became Enron.<sup>1</sup> The role of philosophy in business in this context is to answer the following question: How can organizations achieve better results through in-depth reflection on today's big news stories? Our goal is to learn about leadership from news stories about significant events. The goal is *not* to engage in and moralize about events but to learn something we can apply to our own business.

Every big news item can be seen from different perspectives. There are at least six points of view from which the Enron catastrophe can be perceived:

- Executives who stood accused
- Retirees and other investors who felt betrayed
- Congress, the SEC, and the New York Stock Exchange, which considered regulations to control nontransparent investments and debt that was not on the balance sheet
- The investigative press, whose role was to ferret out the truth (and raise circulation)
- The students of strategy and finance, for Enron's financial strategy was as intellectually clever as it was ethically tarnished
- Members of the interested public, who saw the Enron case in various ways: as cause for alarm, proof of pervasive corporate corruption, opportunity for projecting unconscious feelings, or simply entertainment

Thus the teaching point is: What is *your* point of view? Are you open to the attitudes of others? What does this story teach you about managing your own business?

For reasons of space, we restrict comments here to the first two points of view. In each case, we ask, What did the people see and feel? How did they cope? What could and should they have done? What can we learn?

## The Accused

The accused executives must have been in despair. In fact, the former vice chairman, J. Clifford Baxter, age forty-one, committed suicide—the most dramatic expression of how the executives felt. Arthur Andersen's regional partner, David B. Duncan, refused to answer a Congressional committee's questions, his televised face revealing intense internal struggles. Later, Kenneth Lay, former CEO and chairman of Enron, refused to appear voluntarily before the committee. These executives saw before them the specter of dropping from corporate apogee to the inside of a jail.

The underlying question is always this: Are we prepared for the harsher realities of life, which are hidden in happier times? Do we

read history because it soothes us into believing that terrible things happen only to others, never to us? Why are we not prepared for life in the raw? Severity is the human condition. Are we not better able to create good times if we are armed for the bad times? It is the mark of a leader to be ready for defeat, if it comes. Then we have the strength to do the right thing in the first place. Philosophy explores in detail the nature of this despair—how to face it and how to prevent it. This knowledge leads to sound business. It would have in Enron's case.

What can you as an executive do in such a situation? What are the lessons from this perspective?

### ***What an Executive Can Do***

*You can hire a lawyer.* You can try for the best deal you can negotiate, given the circumstances, and hire a strategist to help find your best political survival plan. This requires a sharp intelligence, a primitive survival instinct, a fighter's raw determination, a calculating mind, and a cool, distant, detached, and unemotional attitude. In the case of Enron, lavish gifts to lawmakers did not help.

*You can acknowledge what you have done.* Thus you can experience the defeat and the pain fully. We tend to repress these dark feelings, for we know little about how to manage them. They do not respond well to repression and denial. They do respond to self-discovery and self-disclosure. We change who we are and how we look at life: from frivolous to serious, from light to heavy, from entertaining to accountable, from a victim mentality to total personal responsibility.

*You can connect with your conscience.* Do you feel that you have made a horrible mistake? Did you know all along you should not do it? Did your conscience bother you? Did you succumb to unfettered greed? Were you tied up in a web of entanglements, and did you think cutting corners was the way out? Were you weak in standing up to your subordinates? These are all terrible feelings. The Danish philosopher Kierkegaard defined despair as wanting to die but not being able to!

*You can summon the courage to come clean and take the consequences.* Life may be shattered; you will work for restitution and trust that you can reclaim your name. How many have the strength for such a phenomenal personal transformation? We all need social ap-

proval. Are you strong enough to become your own source of energy and affirmation? Can you be your own phoenix arising out of the ashes?

*You can make the transformation of coming clean before external forces do it for you.* Let your conscience run your life, and do not wait until others become your conscience. Done belatedly, the price is high—even higher if never done. (You may apply the same measure to the Bill Clinton case. What would have happened had he come clean about his dalliance instead of tampering with the truth through legal maneuvers? He then would have been accused of breaking moral principles but not of breaking statutory laws, the second being an additional breach of moral principles, greatly compounding the first, leading to impeachment proceedings.)

*You can make every effort to be morally clean at all times.* You can decide not ever to cut corners. When we learn this lesson from the suffering of others, we spare ourselves such suffering. In this light, the price of the effort is small and the honor great.

### ***Lessons of Enron***

The real lessons, then, are these:

- You have a conscience.
- It is real and makes powerful moral demands on you, which you cannot escape.
- You can pay attention to the truth that you are born with free will.
- You are free to choose morally or not.
- Your character is determined by these choices.
- More than anything, in this world you are your character.
- Managing your ethics can be saturated with anxiety.
- Anxiety is normal and leads to health.
- Guilt is an important emotion, not to be dismissed.

It all adds up to giving you the presence of mind to find out for yourself and the strength to stand up to your subordinates when your position demands it. If we do not think in these terms, we fail when summoned to be mature leaders.

The insights described are always true. But when we go astray it feels really bad, and the rewards for cutting ethical corners are not nearly as great as the failures are painful. You can begin to restore

your honor with the help of someone whom you trust and who cares—a relative, minister, friend, or therapist—and with the decision to restore the losses to the best of your ability.

The world's population is not divided into good and bad guys; virtue and vice are scattered among shades of gray. We may therefore assume that what we are told went on at Enron and Arthur Andersen is not very different from what goes on elsewhere. It is a matter of degree. The lesson here is that you cannot cut corners. Ethics demands clear-cut choices, and capitalizing on some claimed ambiguity in ethics is definitely not leadership.

## The Victims' Stages of Development

The victims represent the second category of perspectives. They felt equally defeated though perhaps not as culpable. The media supported them in their belief that they were not at fault.

Stages in the victims' leadership development are (or should be) these:

*Acknowledge reality.* We have been defeated. Our life's dreams, based on a tempting but ultimately spurious hope, have now collapsed. The possibility of retirement and all its glorious fantasies has disappeared. So we ask, How do I manage disasters, well or poorly? What can I salvage from this catastrophe? What did I do wrong, knowing all along I was risking? What can I learn? How can others protect themselves? And how can I protect myself from other unexpected disasters, such as illness and accidents?

*Understand that a disaster is always a wake-up call.* We firmly resolve not to collapse but to act as leaders—to keep up our energy, good spirits, hope, and imagination. Those are not decisions that wait until disaster strikes but decisions we make literally when we are born or first become self-conscious.

*Do not sink into dependency.* Victims cannot afford to do that or to believe uncritically the words they want to hear. Alert investors would not have ended up bankrupt. The bankrupt investors were those who believed the seductive promises of the company's self-serving tycoons.

*Redefine life.* The answer to loss of retirement is both the decision to fight and the decision to adapt—redefining life from relaxation and fun to intensity and rigor. Perhaps we should have done this from the very beginning. Had we done so, today we would not be victims. That is the lesson to learn. With new resolve, we redefine our lives. We experiment with the thought that the end of our retirement dream is a blessing in disguise; we will live longer and be more productive and happier. We will not envy those who fared differently. We will greet life as a journey and its vicissitudes as lessons to be learned. Learning, we are better off, for retirement is a mistake, and meaningful labor gives life its worth. We thank God for having taught us this lesson in time to act on it. This does not mean we won't fight for all the restitution we can get from this debacle. But that is not the end of the story. The finale is that we will win at life, no matter what!

## **Enron and Capitalism**

In conclusion, we learn from the Enron scandal that capitalism is not automatically a good economic system. It is good for those who understand its workings and for those who are masters at free will, personal responsibility, and management of anxiety and guilt. A free market economy is not for soft and dependent souls, nor for those who seek security above adventure and peace of mind above risk. Decisions in this area are fundamental decisions about who we are and what kind of society we choose to create. We need education about these decisions, how they are taken, and how, having made them, we can prosper. The lesson is that self-reliance is in the nature of things, and it is also the key to success in business. Self-reliance quickly drops to the bottom line. Kierkegaard said, "To dare is to lose one's footing momentarily. To not dare is to lose oneself."

## **Case 2: Volvos for Leadership**

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This case is not about Volvo, specifically, but about the auto industry in general. I have no connection with Volvo now, though I used to consult for the company; I'm simply using the name as a

metaphor to bring the case to life. I could have said, “Cadillacs Make Leaders” or “Lexus Spells Leadership.”

We move now from ethics to our second case application, which deals with using philosophy in business for marketing leadership. Consider the following scenario:

Sales are sagging, the market is depressed, exchange rates drop profits alarmingly, the competition is fierce, and there is strong political activism against the automobile industry. Advertising no longer works. What marketers need is to get people’s attention through novel ways of reaching them. What might these new ways be?

## **Selling Leadership**

Let’s talk first in generalities.

When you sell something, you sell leadership (you teach others the teaching of authentic leadership). “Buy my product, and you will be a better leader,” is the message. It can be given (or objects may be sold) in three ways, at three levels of authenticity: honesty, ethics, and quality.

### ***Object as Truth***

The object being sold is “the real thing.” We say, honestly, that being connected with our company will make you more of a leader in many of the significant arenas of your life. This is direct leadership marketing and may be found in this pure form mostly in educational programs, whether physical or mental.

### ***Object as Symbol***

The object being sold is a symbol for leadership—a surrogate. In and of itself, it is not leadership. The results for the buyer can go either way: you spend money and not much happens to your leadership, or you buy the object and use it wisely to enhance your leadership. A car is an example. You cruise with it and show off, and it means little. But you use it constructively for doing better business or taking better care of your family, and it is used positively for leadership purposes.

### ***Object as Escape and Denial***

The object being sold is an escape, like alcohol. You need the money for education, but you squander it on this car as a gesture



of despair. Regrettably, this “false gods” approach is common in advertising, as in the picture of a motorcycle with a girl on the back seat, a healthy young lady with a cigarette, a vampire film as entertainment, a tyrannical kingdom as progressive.

## Theory Behind the Method

The theory behind selling leadership is this: People make decisions, including buying decisions, because the purchase touches deep structures of human existence. For example, I might think I need greatness in my life. If this product will foster greatness in me, I’ll make a decision to buy it. This is the unconscious dynamic.

A business must find ways to connect the purchase of its products with either fulfilling the customer’s deep-structure needs (authentic) or supporting the customer’s evasive tactics (inauthentic). Here are examples:

- A good book gives me greatness directly.
- A good car is a symbol for greatness.
- A cigar or cigarette is a substitute for greatness (a reversal, for it raises health risks).

The first two examples contribute to growing the Leadership Diamond, whereas the third opens up what we might call the Shadow Diamond.

The Shadow Diamond is the opposite of the Leadership Diamond. It represents the fact that there is another aspect to human nature: the night face, the dark side. For example, instead of being motivated by virtues such as vision and ethics, people may be motivated instead by their opposites: blindness and greed. Marketing often plays on these weaknesses. Perhaps you have been profligate and spent beyond your means. The “solution” that you are offered (marketed) is to get a second mortgage on your home, to get the “hidden cash, waiting for you.” Far from being a solution, this decision may open for you a Pandora’s box of troubles. This kind of marketing raises ethical questions. Is it moral for me to try to sell you things that are harmful—not exactly toxic but not good for you? Is it right to say that you are an adult, the decision is yours,

and I shall profit from making a product that fulfills your request, even if perverse or excessive? We walk a tightrope here. There is a thin line between marketing leadership and its shadow.

Let's turn once more to the positive. In terms of the sale and purchase of big-ticket items such as automobiles, authenticity means something like this: When you, as a child, played hopscotch, you threw a pebble before you and on one foot you leaped forward to its square so as to prove you could measure up to and meet your own challenges. Congratulations!

In the same way, to buy a car somewhat above your means is a commitment to bringing your leadership up to that level. In Diamond terms, you summon courage to "cross the Rubicon," forcing yourself to lead the life you have always aspired to. You had postponed it for the wrong reasons. Doesn't everyone on their proverbial deathbed bemoan the fact that "I waited too long and I did not risk enough"?

Your commitment is to courage in support of the vision. Then you coerce yourself to bring your reality up to the level of your vision. This requires a new dose of courage, a second wind of courage, as it were, for it demands that you manage your anxiety and your guilt; that you never, never let go of claiming the freedom of your will, your resoluteness, your initiative, your ability to energize yourself; it demands that you fight successfully every worry and every temptation toward depression.

You cannot ignore the vision on the grounds that it contradicts the reality. Although you cannot choose vision at the expense of reality, neither can you choose reality at the expense of your vision. "You can't buy the car because you do not have money. Be realistic!" is just as incomplete and insensitive advice as is, "Get the car and go for it and don't worry about payments!" You must manage this polarity.

One of the tasks of a good car dealer and car company is to support the customer in the after-purchase emotional crises and show interest in the adjustment required to the new commitment to be more successful in life than before. The dealer who avoids confronting the anxiety that the sale produced for the customer is shortsighted and reveals limited authenticity of the sales process, of the presumed total experience of buying a new car.

Here, in summary, is the leadership side of the purchase—the sequence of authentic marketing and sales.

### Leadership Diamond Sales Cycle 1

**Vision:** To amount to something, to be somebody.

**Courage:** The guts to act the role, to sign a promise at the bank that is really a promise to myself and my future. I take the oath of leadership to manage my anxiety and mobilize my free will for my education, my career, and my ongoing diligence in the years to come.

**Reality:** I must become anchored in reality and make visible, measurable, and lasting changes in my educational and career behavior.

**Ethics:** After-sale support from the dealer in the area of emotional intelligence will make an enormous difference in the long-term success of the purchase and will make me into a very loyal customer and advocate for the brand.

**Lesson:** Many dealers and auto companies waste this latter low cost and powerful opportunity for positioning themselves, creating a magnificent corporate image, and building extraordinary customer loyalty. What a loss!

In contrast, inauthentic marketing and sales might involve marketing and selling a substance that leads to illness and produces the opposite of what it advertises—a cigarette, for example, possibly one aimed specifically at the newly empowered professional woman. The differences lie in the reality, courage, and ethics factors. Consider the differences between the authentic sales cycle and this one.

### Leadership Diamond Sales Cycle 2

**Vision:** To amount to something, to be somebody—an empowered woman. *Authentic.*

**Courage:** To light up a smoke does not require courage. In fact, it is an act without courage because it feeds an indulgence, leading to addiction and health damage. Buying a car is for many a difficult decision; lighting up a cigarette is for a smoker easy and pleasurable. *Inauthentic.*

**Reality:** To make this decision requires denial and self-deception, evoking there with the Shadow Diamond. *Inauthentic.*

**Ethics:** The best you, the buyer, can expect is unsupported illness and suing for redress. *Inauthentic.*

**Lesson:** Marketers can make good money by selling illusion. The buyer colludes in this. We need to always ask what is the leadership component and what is the shadow component in any commercial transaction.

## Product Mapping

To summarize, the hypothesis is that major purchasing decisions are made not at the level of the product or the symbol but at the level of the unconscious or the Diamond deep structure. Thus, as a consumer, I buy a car because it furthers my greatness, not because I want a car. Therefore, you, the marketer, should appeal to my need for greatness and hang the car on that hook.

Your task as a business executive, then, is to create a profile of your customers' Diamond needs and ascertain how your product and your sales process meet those requirements. How do you do this? You create a product map, using the Diamond model, to clarify and expand the marketing of the product. This Diamond mapping is an essential tool for bringing your marketing up to the next level.

Creating a product map is an exercise, a companywide activity, for it is in the activity that the actual leadership dimension of the product is created and taught. This builds the culture. And the culture is the implementation arm of a company.

An example of some key elements of mapping will help to get you started. But anything written here is but a thought starter; the true map is drawn only by the stakeholders.

It is important to remember, in mapping a product, that what differentiates and what sells are not necessarily the new features but what novelty represents to the unconscious: excitement, hope, Camelot, a new start, recovery from past failures. To miss that point is like pouring expensive wine into a sieve, not a glass.

The fundamental purpose of the product map, or the company-image and company-positioning map, is to get a clear picture of who the customer is. The customer is represented by a complete Diamond, but each customer has a distinct configuration and profile of Diamond points. We want to create a sales and ownership experience that fulfills each customer's unique Diamond configuration and profile.

Everything we do with respect to the customer must be justified for the place it has on the Diamond. The Diamond represents the higher regions on Maslow's hierarchy of needs. This constellation of needs is where the decision for purchase will stem from and where the beams of motivational arousal need to be directed.

What are these higher needs? People may want to live in an ethical world, to take full satisfaction in being ethical persons, to have courage that makes them proud, to be realistic so as to be genuinely successful (that is, make money), and perhaps to live in a visionary milieu, where the brilliance of people rubs off on them, or perhaps where their own intellectual brilliance is “appreciated” by their environment. The “Volvo experience” seeks to meet such needs.

The Diamond is a central theme in designing a product and a marketing strategy, for every product is a thing onto which leadership is grafted. And it is the leadership component of the transaction that is the added value, the high-margin ingredient, the differentiator, not the commodity aspect. Our skill in managing the leadership component in running a business, in particular in its comprehensive 360-degree marketing strategies, is our definitive critical success factor. This is marketing Principle One in the Diamond view.

### **Customers’ Experience of Greatness**

Leadership is about greatness. In drawing up our product map, we must ask how we can give customers the experience that our company is great and, even more important, that they too are great in any contact they have with our company. Perhaps the interfaces of greatest market value involve customers’ visiting the showroom, speaking to company representatives, seeing company advertising, and, of course, speaking to other customers and reading articles in the press.

Greatness means I define who I am. I am my own person. I create my own destiny. I have my own model, perhaps Thomas Jefferson, or Frederick the Great, or Warren Buffet, or Tom Cruise, or Magic Johnson, or Meryl Streep, or Edna St. Vincent Millay, or Emily Dickinson, or Carly Fiorina. The Volvo experience needs to be a greatness experience.

How can we make the connection between the prospective customer and the greatness experience? It starts, as already emphasized, with a diagnosis of the prospect. The Diamond lends itself well to quick thumbnail diagnostic sketches of potential customers.

Are we speaking of a customer who’s a realist? Does he care about the technology or about thrift? Or maybe she’s a romantic

who sees a special friend as a passenger or herself on a happy family outing. What about the fearful one, seeking safety? Or the adventurer, who wants the car as a symbol of freedom, getting away, the open-road mystique? Or the one concerned with beauty, which is more connected to vision? Salespeople, among others, can be taught Diamond diagnosis, and a few well-targeted questions can help:

What was your childhood ideal?

What is your profession, career, or job? Do you like it?

What is your ideal job?

Where are you going in life? What are your life's objectives?

What matters most to you?

We are here to fulfill your values, beyond selling you the car. Do you want to tell us what some of your most cherished values are?

We can develop a pre-sale questionnaire. And we can create a post-sale kit on how to use the car to help buyers achieve their life's dreams and objectives: how to use it, drive it, show it, care for it, where to go with it, what can be achieved with it that could not be achieved otherwise.

This is a much-overlooked opportunity for businesses. The error is partly due to the *subjectivity mistake*: seeing the sale only (or mostly) from the vendor's perspective. In that view, when the bill is paid, the transaction is over. We often don't see it from the buyer's perspective: when the contract is signed, the customer's relationship with the company is just the beginning! Caring in this way about the customer is part of the identity of the product, the car itself, the total Volvo experience; it is the loyalty factor.

Next we examine in more detail the greatness elements of each Diamond point. Greatness, we recall, is all over the map. All else is a form of greatness, a variation on a theme.

## Ethics

We start with greatness in ethics. We co-design the relationship between the Volvo experience and the Volvo car—the whole concept-to-customer process—by matching the full armamentarium of the ethics factor, which is ethics evolved into the full cluster and spectrum of factors associated with human beings, relationships, and

people skills. It is with the full spectrum of the car both as object and as experience, its definition and its connotation, the object that it is and the context in which it occurs. Ethics means I pay attention to ecological concerns. I feel good—if that is the type of customer I am—buying an ecologically sound product. Or I may buy the car as a gift for my daughter on her wedding or graduation. Or I can use the car to take people places and show them how much I love them or care for them, how much their friendship means to me; I can include them in my orbit, my circle, my family feeling, my dynastic fantasies.

In what way can my total Volvo experience—not just the car but the way I am treated, valued, held in esteem, respected, understood, given attention—be interlinked with love and duty, empathy and principle? These questions have answers for some customers and for a segment of the public at large. What are they? How can we jointly discover them? The customer is always part of this discovery process.

## Courage

To be ethical takes courage. Themes to remember for the courage factor are such matters as the decision to be true to one's needs and instincts, the decision to risk a loan, the decision to make tough choices (like buying a car), the decision to spend serious money, the risk of getting into debt. Making a significant purchase is an anxiety-producing step. Courage is the management of anxiety in making ethical choices or risky investments. Understanding free will and the anxiety that goes with it is still the fundamental region of human existence. Those who master this zone are leaders; those who escape it are nonleaders. Managing anxiety is necessary for growth and success.

Salespeople need to be prepared to address customers in three areas: (1) the technology of the car, for the engineer in us all; that is the reality factor; (2) its financing dimension, because for most people a car is their second-largest expense; (3) the anxieties associated with buying and owning a car and how to manage them. It is the latter that is ignored because auto executives and employees are not usually competent to address them. But anxiety is the single most powerful point-of-sale resistance. The ability to

hold intelligent conversations and empathic dialogues about anxiety—worry and guilt are cognates—is the necessary attention-getting and support-giving critical success factor in making a sale.

## **Reality**

Reality includes such issues as safety, durability, economy, and long-term cost-effectiveness. In my experience, the core of Volvo's advertising, marketing, selling, and servicing has been focused on these realistic elements—what you would, unfortunately, expect anyway from an automobile manufacturing company where engineering competence is so highly valued. This is understandable but unjustified, for on the engineering side a car is a commodity. Appeals to reality thus have to be wrapped in some of the more encompassing virtues of greatness in general so that the purchase is elevated from the mechanical perspective to the fully integrated, human point of view. It is the greatness theme in its many dimensions that is the true differentiator—the critical factor in a company's financial success.

## **Vision**

If you are a customer concerned with vision, the car is part of your total plan for life. It will get you where you want to go. It is a necessary transition stage. When you sit behind the wheel, you feel a lot closer to where you want to be than you felt earlier in an old car. The new car gives you hope, makes life worth living. It makes you feel closer to your goal and ideal self. If you act on these feelings, if they become part of your sense of self, then you are making commendable progress. If you experience the feelings as vacuous daydreaming, then they represent a dangerous step back. Here is where sales require after-service to help clients fulfill the promises they made to themselves of who they are—or who they will be after they purchase the car.

## **The Deeper Meaning**

We are doing more here than marketing cars. We are arguing that the underlying dynamics of a commercial transaction contain elements of the eternal questions.



It may be that we just want a car. It may be that we are in search of a good feeling. It may be that we are overextending ourselves. But the operations our awareness invoked have to do with greatness, with courage, with managing ambiguity, and the like. Descartes says that our freedom and God's freedom are the same, only God's freedom is bigger than ours. The "substance" out of which they are fashioned is the same. So it is with the sales process. The deep structures invoked are the same as in major historical events, but the quantities are different. That is how destiny issues and marketing issues, thought to be far apart, are nevertheless cut out of the same cloth. We will return to destiny issues at the end of this chapter.

## Follow-Up

What follows for advertising, product design, showroom experience, dealer-manufacturer interaction, and culture is the co-created result of on-the-job conversations that use Diamond concepts.

We need a marketing strategy for each buyer type. Using the Diamond as template, we get something like this, which is illustrated in Figure 12.2:

*E-Types*, who think about life in terms of relationships

*C-Types*, who think about life in terms of action and daring

*R-Types*, who think about life in terms of engineering and finance—  
and price

*V-Types*, who think about life in terms of future, planning, and hope—  
and concepts

This is a comprehensive program. Bits and pieces have been tried and implemented in many places. The next step is a total commitment, understanding both the philosophy and the business and merging them.

## Case 3: A Company Out of Control

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We next consider a case focusing on internal political and psychological leadership problems. The scenario is as follows:

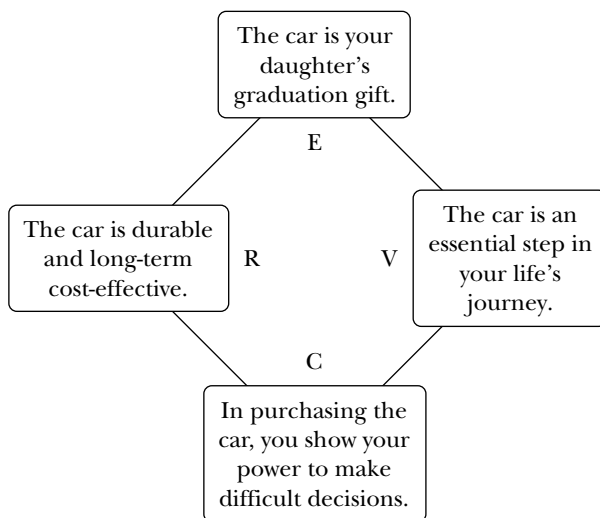
In our cosmetics firm, our CEO, Barbara, is charming but ineffective. She is popular, but the organization is out of control. She works, or tries to work, by consensus. Our CFO, Joan, is well trained in finance but unscrupulous. She expects to be the next CEO, although she is the only one who expects this. She operates by command-and-control. She sees only the numbers. She is feared. The competition is bringing out new products at “the speed of thought,” and we have no clear company market direction. Continuing unchecked, we are headed for bankruptcy. Barbara feels power is irrelevant in the modern organization. Joan savors power. What are we to do? The board looks for a coach for Barbara.

The situation just described is sometimes perceived as a special case. It is not. Virtually every company fits this description; the situation is generic. Insiders suffer so much that they often do not see this.

What are the Diamond parameters in terms of which we can understand and manage such a situation? We begin with an examination of general principles relevant to the situation and then move on to a more specific analysis.

This analysis involves several people: the CEO, the CFO, selected managers and employees, internal and external consultants,

**Figure 12.2. Snapshot from an Automobile Diamond Map**



the board, and the owners—the stockholders. The earlier discussion of Enron noted that any event can be analyzed from different subjective perspectives. The situation here is analyzed from the point of view of an outside consultant.

## The Stages of Analysis

People in an organization have become alarmed. How should an analysis begin?

### *Alarm*

People who are alarmed feel that help is needed. They are correct. But this is not an unusual situation. We see it all the time. The differences between so-called successful and unsuccessful companies are relatively minor. A grain of sand in a jet engine can, over time, bring to a halt even a gigantic airbus.

The right response, then, is not, “My God, this organization is out of control!” but “What else is new? This is the way organizations function!” Even though remedial work needs to be done, one message is biological adaptation: learn to live successfully—profitably and ethically—in a chaotic world. Chaos is normal. Order is artificial. Don’t feel you have to change the world—even that you can—before you can yourself become viable, productive, functional, and happy.

### *Babel of Voices*

An analysis has become muddled. Analyses involving organizational politics and emotional intelligence are often no more than a babel of voices. They lack direction, focus, resolution. And for one simple reason: we do not clarify from whose point of view the analysis is carried out.

Innumerable people are talking about one and the same company. There are many and very divergent opinions, and most make a lot of sense. We start out with a theory about multiple truths; like a room that can be seen from a many different perspectives, each is as valid as the other. Conversations often go like this:

- We need to get rid of the CEO because she is not strong.
- The CFO has no understanding of running a democratic organization; people resent not being treated with full respect.

- We must have a single vision, and everyone is expected to buy into it.
- Culture is irrelevant if there is no money.
- A business is not a family but a performance-driven army.
- People have worked here for twenty years, and they have some rights; you can't simply ignore them because the economy is down.
- The salary and bonus distribution here are manifestly unfair.
- People envy me and want to undermine me, just because I am competent.
- I don't know why we are keeping this person on the payroll.

To avoid this criss-crossing of conversations, we invoke the principle of the subjective perspective. Before you say a word, be sure you are clear from whose point of view you are talking. If you advocate a position, be sure you are clear from which person's perspective you are defending it. Physicians, psychiatrists, coaches, and lawyers know about confidentiality. You stand up for your client and no one else. If an opponent wants to talk, that person should get his or her own representative.

What are the implications of multiple perspectives? Once I see the situation from my point of view, I am in touch with the zone of power, empowerment, and responsibility. If I am at the center, then I am not helpless. I can actually do something about the situation. That is the payoff.

### ***Birth of Leadership***

Only after the person doing the analysis has gone through the catharsis of not passing the buck, of realizing that others may well be at fault but that he or she has the power, then, being steeped in free will and responsibility, that person is ready to act. This is the birth of leadership.

### ***Trust***

The analysis is completed and coaching seems to be in order. But to coach anybody on leadership matters, one must have credibility and gain the client's confidence. This is a skill all its own. Clients

need to know that the coach is on their side and that there will be no violation of confidence. But a therapeutic alliance is never guaranteed, for the will in the client also has to be present, and no one can force that to happen. A coach needs to know the client and himself and take responsibility for creating a fit. With a coaching alliance, expansion and growth are possible. Without it, coaching is a game.

### *Polarity*

Every one of the stakeholders in this situation needs to understand that the question must be handled in polarity terms. And the principles invoked are these:

- We do not eliminate one side of a polarity but integrate the two.
- What integrates them is a common interest.
- They are interdependent, not mutually independent. One needs the other.
- A good solution or synthesis, or shared reality, is the need for and the value of democracy, the democratic personality structure, so that dissent is given a positive rather than a negative spin.
- The concept of “perfect to a fault” is important, because too much perfection in one point of view will diminish attention given to polar opposites. This is more true of organizations, where balance is desirable, than of individuals, where imbalance is often meritorious, as in an Olympic athlete.
- We must learn to hold opposites before us at one and the same time.
- We are talking here about a conversion from problem-solving paradoxes toward a solution to adapting to, accepting, and even thriving under irreducible polarities. This is really the transformation of an individual from a totalitarian and autocratic personality to a democratic and tolerant personality structure. Such is the nature of the adult, the mature person.
- Holding polarities is a special state of mind that is intimately associated with grown-up behavior.
- Expressions that capture this skill, such as titles of lectures and announcements of programs, tend to be harsh:

The Ethical Management of Alienation  
How Organizations Survive the Betrayal Factor  
The Character Brigade

A key leadership lesson is to adapt to polarities. It is a moral stance: being ethical does not depend on rewards. I must be prepared to be ethical without expectations of rewards, for being ethical is not more important than winning but it is the true victory.

*Family*

The top team is never like a family. If it were, it would be ineffective. It is more like a congress. The members stick together because the ethics, the law, and the job requirements make it mandatory. The lower echelons can be more family-oriented, less competitive, and willing to work together as friends.

Even there we find problems. How can people be happy at work, when the family sense, the unconditional acceptance and inclusion, the no-questions-asked love just cannot exist? A family does not titrate out love based on performance, but a business does. Being forgiven versus being measured, being accepted versus being competitive; these are tough polarities. Work is not family; entrepreneurship is not intimacy. We need both. Intimacy alone is childish. Competition alone is heartless. Both together add up to maturity—the most difficult state to achieve, the most valuable, the most developed, the most adult, the only ticket for survival, progress, and eventually wealth.

*Messages*

Can you support a program that teaches these truths, these thoughts, that creates a feeling of camaraderie but also a profitable company? Or is the polarity too much? Can you set up a center that sends out polarity messages? Truths to which we are all beholden? Realities to which we all must adapt? Facts about which we can all cooperate?

Expressing yourself and being understood are great values. In our society, you get a coach or a therapist and are expected to pay for it. In marriage, you cannot be childish, and only the youngest infants can be treated with unconditional acceptance and sentimentality. Is not this paradox between love and performance,

security and independence, one the great perplexities of life? Is that not related to being ready to die, mastering the conflict between wanting to live and being condemned to mortality, so that once this has been accepted we relax and can live?

Give up seeking the end of conflict; treasure it as a friend and a good teacher. Without the stress of opposing possibilities, you would be nothing.

### ***Large-Group Change***

Only after this groundwork has been done are we ready for the organizational actions that would be expected from a coach and consultant. Then we go to environmental reorganization and culture building. Then we can energize teams with the mission and vision of the organization. Then we are ready to get beyond individualism and admit that there is power in numbers, joy in belonging.

Now we can talk about large-group processes, future-search conferences, the conference model, and the large numbers of inspired programs in which an effort is made to bring democracy, good feelings, and commitment to large groups of people. Companies want to make their people feel that theirs is a good place to work. It is to move from a highly individualistic culture to the discipline of groups and teams.

This is tough for the entrepreneurial mind. Only after we have gone through the rigorous initiation of individual leadership are we ready to risk being part of a family team and being loyal to them, knowing that this may never endure and that betrayal may be just around the corner. That is why maturity and strong ethics lie at the foundation of both leadership and followership.

### **Myth and Reality**

In light of these principles, we can make some general statements contrasting myth and reality in the situation outlined at the beginning of the section.

*Myth:* This is a special case, unique and difficult, and needs specific remedies.

*Reality:* Each person suffers as if it had never happened before. This is a routine situation requiring routine "treatment." Lack

of direction, personal conflicts, poor morale, inadequate team spirit, self-serving personnel, lack of commitment we find everywhere in varying degrees. The system—a business needing to make a profit in a competitive economy and in recessionary times—is an arrangement guaranteed to create turmoil. Nothing specific makes sense until this larger context is understood and owned.

*Myth:* We are dealing here with a total system, and therefore individuals are not responsible.

*Reality:* True as far as it goes. But when we invoke the principle of the subjective perspective, we also recognize that the question calls not for some kind of objective legalistic adjudication but for a pragmatic solution on how to improve the situation. By acknowledging the subjective perspective, I also acknowledge my responsibility to do something about the crisis and admit my role in creating the problem in the first place. The principle of the subjective perspective is the vestibule to the chamber of personal responsibility and individual efficacy.

*Myth:* There must be a solution, an answer, some sort of general agreement on how to proceed so that people do not leap in all directions. A company's culture is meant to go in one direction.

*Reality:* Again, this is true. Nevertheless, the demand for uniformity is based on a mechanical view of human nature and of human institutions, not factoring in the vagaries of free will, the bitterness of competition, and the irrationality of envy. Any single direction has overtones of tyranny, squelching freedom, diversity, individuality, and, ultimately, creativity.

*Myth:* With the right kind of team building, we can establish a good place to work, a sense of camaraderie and family feeling.

*Reality:* A company is a business, and it needs profits. It makes decisions according to market pressures. Holding out hope for family feelings is a cruel deception. Required is maturity, and that depends on managing polarity.



*Myth:* Bosses need training in how to manage people.

*Reality:* The most important training is understanding, claiming, and incorporating free will. You hold others responsible by showing them how you are responsible.

*Myth:* Feeling your freedom makes you happy and joyous.

*Reality:* As you become more and more aware of the fact that you are free and that freedom means responsibility, you become more anxious, more guarded; you feel guilt for not having used your freedom as you should. As you get past the panic, you may not feel joy, but you will feel power.

*Myth:* You must have a positive outlook on life, seeing the glass half full rather than half empty.

*Reality:* Facing pain—the negative, depression, defeat, frustration, exclusion, unfairness, dishonesty, hidden aggression, even evil and death—is simply to be in touch with the limits of life. Leadership responds to these, not through illusion but through courage, not through Camelot and dreams but through resoluteness and hard work, not through pampering and self-indulgence but through sacrifice and discipline.

*Myth:* Happiness is the natural state of humans.

*Reality:* Happiness arrived at without effort is of little value, but happiness earned out of strenuous and persistent toil is deserved. One has earned the entitlement. One is confident that happiness can be achieved again. Earned happiness does not depend on handouts; it is therefore secure.

*Myth:* Companies need an expert who can give leadership advice.

*Reality:* A leadership coach gains the trust of clients, something more emotional than rational. Then, from within, he or she helps clarify the issues and supports the acts of courage that clients choose to make.

*Myth:* We have good guys and we have bad guys. We try to convince the bad guys to “get religion.”

*Reality:* Your opponents have a point, too. Reverse what you think. The ruthlessness of your internal competitor and how much it bothers you are signs that you lack and need these hard “virtues.” Otherwise, you fall short in credibility as a leader.

*Myth:* Power is an outdated concept in organizations.

*Reality:* Quite to the contrary. In our example, an authority with recognized power needs to be installed as CEO. Power must be restored to this position, vision and discipline recaptured. The dislike of the CFO may be a genuine indictment, but it may also be the complaint of the weak, a jeremiad of dependent personalities.

## Recommendations

Up to now, the analysis has been impressionistic, a kind of free-for-all dialogue with an unclear, chaotic organizational situation. Here, finally, are some specific recommendations for Case 3, based on the general principles outlined. The good news is that if we understand the human condition, we can become winners. The bad news is that few options are open to this cosmetics company.

### *The CEO*

*Ineffective* probably means strong in ethics but weak in courage and perhaps in vision. The CEO is probably aware of reality but feels paralyzed to manage its hardness.

The question then becomes, from her point of view, “Do you like yourself that way, with the resulting anemic leadership consequences, or are you willing to summon the will to courage and take charge of a vision and of confronting the saboteurs?” This is an existential choice—a challenge to redefine the personality and remake the fundamental project of this person’s life.

The chances that she will make such a massive personality change are unlikely, in part because the pressures and rewards are insufficient for such a monumental act of personal transformation. Her solution may not be to artificially do a job she does not want but rather to have the courage to be the person she wants to be—a person *not* in a leadership position. To relinquish one kind of

leadership is simply to display the courage to adopt another kind of leadership—from organizational to personal.

But if the decision is to do what it takes to run the cosmetics firm, then dealing with ethics, courage, reality, and vision, in the modes of greatness and polarity, will go a long way to set up a program for organizational reconstruction.

### *The CFO*

The CFO may well be a person who represents a Shadow Diamond. She may have no desire to achieve authenticity, and therefore there will be no openness to coaching. Supporting teamwork and facilitating a culture of freedom are goals this person seems to have chosen *not* to embrace. From the subjective perspective of the board and of the CEO, this person has to go.

A good coach might help the CFO be more effectively Machiavellian, but it is unlikely that the CFO would ever discuss that with a coach. It does not make her look good in her own eyes. The CFO may not be ready for any kind of bond with a coach—or anyone else, for that matter. The issue with the CFO seems to be that she has “maxed out,” having achieved as much as her limited character structure will permit. To allow an alliance with a coach would be to begin to emerge from her alienation. If faith in human contact and connection is restored, there is hope that all else can change. But such change, from withdrawal to alliance, will probably not occur because the regret over past losses is likely to be too painful. It’s better to continue with the path of self-destruction than to risk cataclysmic guilt as she allows herself to feel the weighty burden of self-betrayal.

### *The Employees*

The employees, speaking now of *their* subjectivity, cannot wait for their happiness until these emotional intelligence issues are resolved, if they can ever be resolved. Employees find themselves in a polarized situation in which maturity—a form of greatness—is to manage this happiness-versus-alienation paradox successfully.

### *The Board*

The board, speaking now from their point of view, is reaping the harvest of its own leadership neglect. Board members often are not

as active as they should be, and they think they have a prestigious sinecure rather than severe legal and moral responsibilities. We have a situation where beginning from scratch seems not a bad idea, starting with the board. It is easier for public companies to turn to a fresh slate of executives than to try to repair shattered reputations.

### *The Stockholders*

From the point of view of owners, probably the smartest thing is to promote strong action for the radical changes recommended, hoping the stock will rise as a result of reinstalled confidence rather than incur the inevitable losses were they to sell at a time when the company seems hopeless.

### *Consensus*

Is there a comprehensive action plan incorporating all stakeholders? There could be, with enough dialogue. In practice, however, it's like writing a novel. There comes a time when starting all over again, no matter how much time has been invested, is smarter than trying to patch up a work that has lost its life.

## **Case 4: Understanding History in the Making**

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So far, we have illustrated philosophy in business with three divergent analyses: leadership coaching for the defeated at Enron, enhancing marketing depth in the automotive industry, and clarifying the language in which to understand a company out of control. We do this in order to create a new mode of speech for management.

We end this book as we began it—with 9/11. We turn to using the Diamond vocabulary to reflect on this history-making event. Events like this focus our values. The role of philosophy in grasping the truth was never said more eloquently than by Thoreau:

There are now-a-days professors of philosophy, but not philosophers. Yet it is admirable to profess because it was once admirable to live. To be a philosopher is not merely to have subtle thoughts, nor even to found a school, but so to love wisdom as to live according to its dictates, a life of simplicity, independence, magnanimity, and trust. It is to solve some of the problems of life, not only theoretically, but practically. [Henry David Thoreau, *Walden*]

We return once again to September 11, 2001. We are still living the crisis. And in many ways, it is a crisis of leadership.

I wrote the following right after 9/11 happened. I want to record it here, mostly unedited, to touch on its relevance for assessing historical events. These thoughts are more on the order of free associations and reactions than reports from having witnessed the catastrophe.

Reflection reveals anxiety and death, freedom and evil, responsibility for how we view the world, and the power of the mind in making things happen. If we allow our mind to become deconstructed, revealing itself as it is and not as we made it, then we will see, unadorned, the truth about what it is to be human, and we will be able to harness its full power toward more profound and effective leadership performance. [September 14, 2001, Friday, the Day of the Vigil]

The point is this: what we experience when unspeakable horror is unleashed is what is always true but usually repressed. And we pay a price for this chronic repression. One price is to live an inauthentic life; the other is that denial will precipitate precisely the evil we wish to avoid. We don't know what to do. Leadership is to exist in a mode not of complacency but of alertness, urgency, and dissatisfaction at all times. This point I do not believe is made often enough. Some people do this spontaneously. Others have to make a deliberate choice. Here lies life's critical success factor.

September 11, 2001, at 8:32 in the morning, saw the torpedoing of New York's World Trade Center Towers and the Pentagon in Washington by four hijacked commercial aircraft.

The shock of death! Big Death!

This is what life became. What does it teach us about ourselves and about leadership? The shock of death numbs and disorients:

All day and night I gawk at TV.

I have turned into a zombie but I don't seem to know it.

I don't get any work done. Has my job become irrelevant?

I make big mistakes that I do not even notice.

My errors of judgment are frightening!

My desire to accomplish anything has disappeared.  
I forgot what my life is all about.

Beware of when you are numb but no longer know it. This is what life became:

*Yesterday:* “I want to have fun.”

*Today:* “Fun no longer makes sense; there is tragedy all around. Aren’t you embarrassed that you want to have fun, given the incredibly serious character of life?”

*Yesterday:* “Those brokers up in the Towers are my competitors. They make more money than I do. I am going to beat them in the competition for clients’ funds! I don’t like them: they are rich and have no morals.”

*Today:* “Now they are dead—cremated and buried in rubble—and their offices are pulverized. Some jumped out of windows. How can you say such words or feel such emotions? What matters is our common humanity, not that we are adversaries in the marketplace. Shame on me for even thinking such cheap thoughts!”

*Yesterday:* “Look at these fat people trying to jog. They have no self-discipline and no self-respect. They don’t keep themselves trim by working out at the gym!”

*Today:* “Where did this ugly thought come from? Who cares about the gym! There goes not someone you look down upon, but your brother, your fellow human! You are joined umbilically in a common fate! How twisted my values that I should have forgotten!”

*Yesterday:* “I am hostile and competitive. Envious.”

*Today:* “You wholeheartedly embrace the oneness of humanity.”

We haven’t changed from self-sufficiency to dependency. No. We have changed from who we pretended to be to who we truly are. The shock of death reveals deeper, hidden truths—truths that are always there but that we avoid because they produce intense

anxiety. They are truths about people and their worlds, which, in happier times they managed to repress. Death reveals that

- My end is inevitable. Everyone lives on death row.
- When all is said and done, I am helpless. We are all helpless.
- My underlying anxiety will never go away. Nor will yours.
- I am vulnerable. We are all vulnerable.
- I depend on my existence, every heartbeat, on forces more powerful than me. So do you.
- I don't want to hear any of this! I'd rather be soothed. Reality is too bitter a pill to swallow. I have heard you say that, too!
- Understanding my deep dependency makes clear the need for God in life, regardless of whether or not there is a god. The need is clear, for once I feel the need I am also open to feel the answer. This is the fate of all human beings.
- We have made ourselves into a protected society because we are afraid of anxiety. Comparisons have been made with Pearl Harbor. FDR's most famous statement grew straight out of that attack: "The only thing we have to fear is fear itself." So it is today. What Roosevelt neglected to add is that fear contains within it the answer.
- Death reveals the necessity for and the nobility of authentic leadership. Leadership is required of our politicians and others in leadership positions.

These realities—these revelations of eternal truths—are always with us, though we spend our lives devising clever strategies to deny them.

## The Shock of Death

The shock of death challenges me to face my deepest anxieties. After numbing and disorientation, I recover the presence of mind to explore in depth what this experience reveals. Yes, it is a revelation. It produces knowledge that is hidden behind a parapet of anxiety, a wall of fear. I look away from the truth, as Saul on the Road to Damascus held his hands before his eyes to avert the blinding light. In this instant he became *Saint Paul*.

We are in the face of evil, destruction, helplessness—beyond anger because the force is so overwhelming that no matter how far

we retreat into the inwardness of the soul, we do not find ground zero; we find no bottom; no foundation serves as a springboard against it. To be angry I must be able to strike out, hit back. But the destruction is so comprehensive that I have nothing to stand on, to lean against, from which I can come back. This is defeat, the peril of having lost.

But I cannot surrender. I have the power to will never to surrender. Numbing is to have forgotten the will to fight back. Like a crushed concentration camp inmate, like pariahs persecuted by their own government, like Patricia Hearst abducted—people join their enemies, for the enemy seems all-powerful. That is the shock of death: defeat.

I am there; I always was there; I always will be there; but I have managed to hide it. Now I must face the truth and, like a phoenix out of the ashes, arise victorious. I can do this, you can do this, all of us can do this. People die before your very eyes so that you can learn this lesson. Can you ever, ever, ever become worthy of this sacrifice? Does life have any other task?

The shock of death confronts me with the reality of evil. The lessons to be learned must be so strong and so valuable that the price is worth it—if that is indeed imaginable. If you say this is impossible, then *that is the lesson to be learned*, that certain events are beyond redemption and that we live with situations for which there are no excuses and yet they exist nevertheless. That is the discovery of pure and unadulterated evil. Discovering the reality of evil gives you your ethical task for life. And there is no other.

The shock of death exists to teach you that your First Decision, like the Act of Creation itself, is to commit yourself to the creation of an ethical world, a civilized existence, a moral order, as if you were your own messiah.

## Ethics and Guilt

Am I an ethical person, first and foremost, always and with no exceptions? How can I even for a moment bypass this weighty cross-examination?

The shock of death teaches me to face my deepest guilt. It's now too late, but I know it all could have been prevented. But how? With more discipline, less sloppiness, more rationality, more principles? We got lazy; we had impoverished intelligence operations,



absent-minded airport security. We were not alert enough to the political realities; we had our blinders on. When ethical plights fester long enough, the explosion is not far behind.

We forgot—something never neglected at chemical plants and refineries—that safety comes first. Nothing else is second.

I am guilty because I did not do on Monday what Tuesday made too late. What will happen tomorrow that today can still be fixed but tomorrow will make too late? But we must be careful about guilt. Some say, “I am tired of people in this country taking the blame for everything.” Lest anyone think I represent this view, let me be clear. Yes, I am guilty, but not for the deed. I am guilty for not having been more vigilant. I am guilty for having been asleep while conspirators for years were planning. I have been guilty thinking that the world’s problems will go away if I do nothing. I have been guilty of letting others worry about the condition of the world while I dissipate my energies. We are guilty of fighting among ourselves rather than having a single mission. We are guilty of fiddling while Rome is burning, seeking entertainment when there are problems crying stridently to be addressed: my problems, our problems, humankind’s problems, the problems of existence. We are guilty of not meeting a bad philosophy with a better philosophy. We are guilty of not having made the management of violence our number-one objective. We are guilty of not understanding better the terrorist mind. We are guilty of not eradicating the thinking that my metaphysics justifies killing you for your different metaphysics.

My guilt is my issue. Our guilt is our issue. Are the terrorists guilty? You bet they are guilty! Are those who harbor them guilty? You bet they are guilty! Should the guilty be punished? You bet they should be punished! There are consequences to evil. There are limits. These have clearly been transgressed.

Can I use their guilt to excuse my guilt? Not in a million years. In this way I am guilty, and we all are guilty.

The shock of death reveals to me that I am free. The dominant insight we get from allowing us to feel our anxiety is the freedom to assume responsibility and our resulting guilt, as individuals and as a society. We call this existential guilt. Feel what this guilt is all about. Is it survival guilt?

But what is my irresponsibility? It is not just that someone else is guilty. Of course Osama bin Laden is guilty; everyone knows that. Let’s hunt him down and exact revenge and be done with it. But

the deeper guilt is that I have not done enough in my life to take care of what I must. If I listen clearly enough, the echo tells me I have been weak, and I have betrayed my most cherished values—and what's worse, your most cherished values.

## A New Resolve

Here is where my new resolve comes in. Here is where I will become a higher-quality human being.

- The shock of death is for an unheard message. Society has failed us, and I have failed myself. It is a message from God, as it were, that I have not been listening to earlier warnings about not meeting the demands of my conscience. It is a message that I have received before or that we as a society have received before and *not heeded*. Now we see a severe restatement of that message, extremely severe. Well, if I and we do not heed it this time either, then an even harder consequence will follow, and even more powerful message will be sent. Or a reminder will appear. Every message is a wake-up call. And if we do not wake up this time, then the next one will be louder. How many more decibels do we require? Have we not reached infinity as it is?

- The shock of death tells us: as a business society we have become greedy, arrogant, insensitive, punitive, competitive, indifferent, selfish, hostile, uncaring: pursue the dollar, buy opportunistically, do not be your brother's keeper. The nation has become fragmented, self-indulgent, irresponsible, exploitive. Now suddenly we care, we pray, we have vigils. Yesterday we had contempt for you and fired you as deadwood and as a nonperformer. Today we light a candle for you and sanctify you.

- The shock of death arouses the meaning of life. Your life, goals, and values do not appear automatically; you have to choose them. When previous world designs no longer work for you, then you discover that it is not your daily routine but your freedom that sustains your motivation. This is a wake-up call! The commercial reality in which you lead your daily life is not as foundational as you think it is. There is too much self-deception. And it is the cowardice of not being willing to change tracks even after you suspect you have taken a wrong turn. What makes you so sure your values are the right ones? You are locked into a path you cannot leave. That may be OK. But don't slip into it automatically and unwittingly.

- The shock of death teaches responsibility. I can never let go of my higher responsibilities and obligations. Life is unforgiving. Complacency kills. I forgot it and it's my own fault. You can never let go of your values. Only you can sustain them. You can never ignore your responsibilities; they are timeless. We were sloppy, and now it's too late!

- The shock of death wakes me to change my life. A lot of people are saying it right: this is a time for resoluteness to come out stronger than ever. This is a leadership opportunity for all of us in public life, in business life, and in private life. That is why people are being friendlier with each other, why there are so many volunteers—more even than can be accommodated.

- The shock of death gives me tasks to do. It redefines our place in the world. Declare war, OK, but be sure you know on whom: at this writing no one knows what is planned. But one thing is clear. We are talking about war and making a declaration of war: “the first war of the twenty-first century.” But in redefining war we must really understand the depth of redefinition. We reinvent companies; we reinvent selves. Is it not also time to reinvent war? This was a terrible message. It means we did not heed the earlier messages. And if we squander this opportunity, this message, can you imagine the power of the next?

- The shock of death leads me into action. There are two crucial implications. First, I know that action is resoluteness, perseverance, stamina, resolve, dedication, steadfastness, commitment, all of which is consolidated in courage and heroism. It is the mysterious and miraculous mixture of my free will and my anxiety. Some people, like the president, do not have the luxury of choosing for themselves alone. They choose for others, countless others. And here courage is not enough. Too much is foolhardy; not enough is cowardly. The Aristotelian Golden Mean is what we need in courage.

## **The Parameters of Action**

Executive courage is to be strictly tempered by three parameters: by realism, by ethics, and by meticulously thought-through strategy, that is, sober reason and not intemperate emotions. Each of these three key words represents a universe. For one, there can be no illusions about the fundamental hard facts within which we

function. Our nation is a member of the global community. We have severe limits, and we need to know what they are. Furthermore, all actions must be pursued in the context of impeccable ethical values. The rightness of our actions must be clearly established. Finally, nothing foolish or sloppy can be tolerated. Sober reason must be the measure of all actions, for their consequences will live far longer than the emotions that may have triggered them.

Death makes us serious, rational, and thoughtful. If you are in a position of power, especially then, you cannot falter here.

### **A Prescription**

If people ever needed philosophy, they need it now. Philosophy was created to support people when they are truly at the end of the line. The ultimate message is that I must change my life and the nation must change its life. We haven't done it, and so the message has to be horrific. We need to resolve to honor the dead with how, from now on, we ourselves live. We should have done it before the tragedy, not wait to get the message.

Ask yourself this: What have you done wrong, so far, in your life? What must you now do right? What have we done wrong as a society, as a community, as a team, and as a business? As a nation? As a family where have we faltered—in defense and in moral clarity?

You can cry out, What have I done wrong to deserve such a world? Or you can merely say, Who is the criminal, the devil? Who is evil? Who is at fault? Who did it?

Something very important has happened to us. Experience fully all of its dimensions before you return to normal routines. Talk about it. Listen. Journal. Contact people you have too long ignored. Then get back to work and back to normal as quickly as possible. You live in two realities: the shock and your everyday responsibilities. You need both, not just one. Just as you need the deeper insights of the shock, so you need the pragmatic discipline of your daily activities.

Give extra meaning, extra destiny content, extra greatness, extra value, extra dedication to your business. So you do it with pride and honor, not as a routine.

Perhaps the greatest learning is that we have not loved enough, not cared enough for our neighbor, have been competitive instead

of compassionate, critical instead of kind, greedy instead of generous, thoughtless instead of thoughtful.

We have become a nation of alienated, competitive individualists. We have neglected the sense of community. *Love* is a four-letter word in the competitive world trade atmosphere.

Take full advantage of the high learning mode with which you have been catapulted. Extensive journaling is the answer. Record the facts. Record your reactions, especially your emotions and your new thoughts. Record what others have said. And draw learning, lessons, from this face-to-face encounter with catastrophe.

Recover your awareness of your fundamental values, especially the long-range goals to which you are dedicated. Ask yourself, how am I discharging my responsibility in this regard? These are your greatness issues, your destiny themes.

Be extra clear about your short-term responsibilities, your current business obligations, and be sure to meet them with increased alacrity. Your customers and your company need you now more than ever.

You can never let your guard down. You can never neglect your responsibilities. You can never press your luck nor get lulled into complacency. You are on a 24/7/52 and 360-degree alert. You will not be forgiven, nor will you forgive yourself, if you cease being a leader for even a fraction of a second.

Do we want to live that way? I believe that such is the human condition, that we are made to thrive in being human, that stress uplifts us into being fully alive. To respond with authenticity to the shock of death is but your chance to practice becoming a person of sterling character—a rare opportunity—out of which you will then act.

## **In Conclusion: A Fable**

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We conclude our journey with a fable. A kindly and wise old man living in a small village is reputed to be able to answer all questions. Two young rascals want to trick him and prove him a fool. They plan to catch a bird. One will hold it in his hands, behind his back. He will then test the old man: “What do I hold in my hand?” Should he answer correctly—that it is a bird—they will hurl at him the fatal trick question: “Is it alive, or is it dead?” Should he reply,

“Dead,” they will show him the living bird and prove him wrong. But should he say, “Alive,” they will break its neck, show him the dead bird, and exclaim, “You see, you’re wrong, the bird is dead! The villagers will laugh at you.”

They catch a bird and approach the old man.

“Old man, we hear you can answer all questions,” they say contemptuously. “We have one for you. Will you answer us?”

“If you insist,” he responds.

“We do,” replies one of the rascals, and he continues arrogantly: “I’ll bet you can’t tell what I have in my hands behind my back.”

Gently, the old man asks, “Could it be something that flies?”

“Not bad, not bad,” the rascals admit grudgingly. “You were right. It is a bird.”

The one who holds the bird behind his back says, “But now, old man, comes the tough question: ‘Is it alive, or is it dead?’”

There is a pause. The rascals wait with devilish smirks on their faces. Finally, the old man, reflecting, answers, measuring his words.

“I think, young man, it is all in your hands!”

## Note

1. The analysis is based on media coverage as of February 1, 2002.

# A Leadership Resource

## Tips for Achieving and Sustaining Inner Greatness

This resource contains reinforcement practices. Their purpose is to give you practice in using the Leadership Diamond model and in applying Leadership Diamond technology directly to your most pressing concerns. These activities have been tested and work well in actual business situations.

### Toward Genius-Level Leadership Intelligence

Your performance in all the Leadership Diamond strategies can be raised by simply making a personal, firm, irrevocable decision to organize and control your mind, that is, to direct your leadership intelligence toward its genius potential. How can you reinforce that decision? You start with the right ideas, with the proper understanding of what the mind is: how the mind works, what kind of mind-set you wish to achieve. Then you are resolute about doing it.

Right now, make a major commitment to a new mind-set or a new level of leadership intelligence for yourself. Imagine, through the device of thought experiments, how it would be to possess separately each dimension as affirmed in the statements that follow. Then act on making real, in the spaciousness of your mind, each one of these demanding images—first for short periods of time and then longer. First review them mentally, then make changes in your real-world leadership. At all times, you must keep alive the freshness of your interest, for it is true that a motivated student and a devoted and competent mentor can together conquer the world, and we all are both students and teachers all the days of our lives. From now on, everything you do should demonstrate this type of

awareness. You are, in effect, taking an oath of leadership, of excellence, of greatness.

Leaders—people with a developed leadership intelligence—are alert and awake. In the affirmations that follow, you will find descriptions of what it means for a leadership intelligence to be awake. In familiarizing yourself with models of genius in all-around leadership, you can promise yourself that you will experience increased personal success as you reach for these goals. Make your choice right now. I'm challenging you to become the kind of mind or leadership intelligence that embodies these affirmations. And as you read the affirmations, please follow these instructions:

1. Be in a state of alert relaxation.
2. Visualize each affirmation sharply and with as many senses as possible. Think of examples.
3. Affirm, will, own, and appropriate each affirmation.
4. Practice them frequently and consistently.
5. Meditate on them before you embark on any important task, project, or job.
6. Monitor the quality of your visualization.
7. Monitor the effectiveness of the affirmations for your leadership work.
8. Create your own list of affirmations—tested affirmations that you know work for you.
9. With each affirmation, evaluate your achievements with this checklist: my interest \_\_\_ my performance \_\_\_ my potential \_\_\_ my plan for improvement \_\_\_.

People occasionally say that it is impossible to live up to these affirmations. Of course it is impossible, but that is not the point. The point is to think them, to fantasize them as real, to shift your mind into genius gear. You may not be able to play, blindfolded, fifteen games of chess simultaneously—and then win most of them! Few people can. Nevertheless, you can fantasize what it would be like to have the kind of mind that could do it and affirm that you have or that you are this kind of mind. The effect on what you do next can be miraculous.

The final result of using these affirmations should be that you talk to your unconscious. Your unconscious is actually listening and



is consequently making the appropriate in-depth perceptual and character changes. In this way, you become more true to yourself. You become the person you are, for there is nothing artificial or contrived here. You wake up your unconscious to help you become the natural leader you were meant to be.

*Affirmations: Vision*

I am an extraordinarily clear mind and lucid consciousness.

There is pervasive clarity and distinctness in all my thinking.

I am gifted with a superb memory.

I have quick recall.

I have comprehensive recall.

I am skilled with tricks that stimulate my memory.

I readily distinguish between what is important to remember and mere trivia that clogs the mind.

I enjoy practicing the art of sharply focused attention.

I treasure the skill of recalling virtually anything I need to remember.

I have the mind of a chess champion.

Since my early youth, I have been a mathematical wizard.

Mathematics is so easy for me that I can do it in my sleep.

Science is so easy for me that I can do it in my sleep.

I have strong powers of concentration.

I think precisely what I choose to think.

I have complete control over admitting and excluding external and internal stimuli.

I exert total control over my mind, how it works, and what it concentrates on.

I am accustomed to making very fast, logical connections.

I understand quickly, whether receiving instructions, reading a passage, seizing the heart of a problem, discovering a solution, giving or getting directions, or performing a calculation.

In complex conversations, I get the point immediately and can respond instantaneously.

I can see solutions to even the most obdurate problems.

I learn very quickly.

I demonstrate speed in mathematics, reading, reasoning, acquiring skills, learning new words, and familiarizing myself with foreign languages.

I am able to complete complex assignments in a very short time.

I have an excellent vocabulary.

My vocabulary expands with my voracious reading.

I possess extraordinary facility with language.

I possess extraordinary facility with mathematics, calculations, and proofs.

I never suffer from information overload.

I can get a very quick and highly accurate overview of any complex, chaotic, or confusing situation.

I have unquenchable faith in the continuous sharpening of my mental abilities.

I have an expanded breadth and depth of interest, information, and knowledge.

I have an excellent grasp of detail.

I have an excellent view of perspective.

I have consummate control over both the intensity and the relaxation of my mind. My control over my mind is like flexing muscles and relaxing them.

My mind leaps over centuries of history.

I see clearly with my mind's eye the world of a thousand years ago.

I see clearly how dramatically the world has changed and how that change accelerates.

My mind is always ahead of itself. I see today the distant future: the year 3000 A.D.

I always look ahead, whether driving my car, planning for the day, thinking about life, or making strategic choices.

My mind is as clear as empty space.

My mind is as clear as empty time.

My mind is as vast as the universe it embraces in thought.

My mind is a pair of powerful binoculars to inner space.

My consciousness is an infinite field of space-time.

Inside my mind there is an inner eye that I know exists but that I can never see. The existence of that “I” is nevertheless more obvious to me than any other aspect of being.

My innermost eye is invisible to itself.

I always think big.

In sum, the key structures of visioning, illustrated by the affirmations given, fall into several partially overlapping categories. Among them are these traits of a fully developed consciousness:

Visibility (clarity, distinctness, sharpness)

Recall (memory)

Control (priorities, concentration, control over the mind, getting to the point)

Flexibility (the intensity-relaxation alternation)

Discoveries (the equivalence of consciousness and space-time, the invisibility of the ego)

*Affirmations: Reality*

There always is freshness in my appreciation of reality.

It is natural and easy for me to see beauty.

I readily understand sorrow.

I have an absolute respect for facts.

I never lie to myself about the truth.

I have a keen eye for what is normal and healthy.

I know exactly how to adapt myself to any situation.

My common sense is highly developed.

I possess an uncanny sense for what is real, factual, objectively true, and clear to the dispassionate observer.

I behave intelligently in the areas of fundamental health, such as nutrition, rest and recreation, education, career, finances, law, and social responsibility.

I feel exceptionally well informed about public affairs, politics, scientific advances and technology, developments in literature and the other arts, economy and finance, sports, core world problems, and expectations for the future.

I always have the fortitude to move forward, and do so with confidence, from the most frustrating and confusing situations.

I have an excellent understanding of how others perceive me.

I feel fully in touch with everyone I meet.

I have full access to my unconscious.

I always get results.

I can look at all situations with perfect objectivity.

I love a challenge.

I love competition.

There is only one world, and that is the real world.

I am in touch with the real world, and I am not interested in anything else.

“When the going gets tough, the tough get going.” I live every day by this principle.

I have no illusions.

I know that unpredictable events will occur and have effects.

I know also that life proceeds in cycles and that the nature of the cycles is unpredictable.

I know that my leadership mind, which is a product of evolution, can cope well with these realities.

I know that the world is made for the leadership mind.

I can translate this mind-set into continuous action.

I know that as I act on these principles, the world responds and becomes familiar and congenial.

I feel a mystical bond between my leadership intelligence and the power of the cosmos.

### *Affirmations: Ethics*

I feel myself to be a very wise and experienced person.

People consult me about their deepest problems.

I am confidently familiar with the most profound regions of the human soul.

I understand the human mind as well as a taxi driver knows the city and an umpire knows the rules of the game.

I achieve great success in bonding.

My people relationships are excellent.

People trust me, without reservations.

I have some exceptionally close friends.

I like people, and they like me.

I know well how to connect with people.

I am an excellent communicator.

I am a very genuine person.

In my life I have a great love, a rich and abiding passion.

I have supremely fulfilling relationships with my family.

My professional and business contacts are deeply satisfying.

I feel very secure.

I have abiding peace of mind.

I live confidently on a bedrock of solid, core values.

I clearly and effortlessly distinguish between right and wrong, without dogmatism or fanaticism.

I am supremely comfortable with my values.

I am daily realizing my fundamental values in life.

I live exactly the way I want to live.

I lead a very rich life.

I live with a gratifying sense of fulfillment.

I feel the deepest compassion and empathy for all human beings and for all sentient beings.

I have unbounded capacity to understand and to forgive.

I am exceptionally trustworthy and fair.

Everyone fully trusts me.

My life is a noble sense of justice made visible.

I willingly sacrifice myself for others if they are not treated fairly.

I always speak out for human dignity.

People always compete to have me on their team.

I have an excellent record of making teams successful.

I am a very good person—kind, considerate, generous, understanding, helpful.

I am a very happy person.

Life for me is complete.

I am an extremely fortunate person.

I treasure wisdom.

I am rich in wisdom.

Humility, compassion, devotion, and wisdom are the most desirable of all human traits.

I am a compassionate person.

I am always sensitive to people.

*Affirmations: Courage*

I possess extraordinary independence of thought.

I totally live my own life. I live in my own lifestyle.

I freely exert my own judgment.

I have my own considered opinion on most issues.

I have personally developed my own belief system.

I am never bizarre. My courage is always rational.

I am able and willing to make decisions of hair-raising difficulty.

I always make my decisions at the right time. I know the importance of timing.

I am very good at making decisions instantaneously or with imperturbable patience, as circumstances warrant.

I have boundless energy.

I possess undying enthusiasm.

I have the strength to manage my anxiety.

I always make constructive use of my negative feelings, such as guilt and anger.

I am a person of substantial credibility.

I am a very dignified person.

I am a person of inexhaustible self-confidence tempered by the wisdom of experience.

I am always highly motivated.

I am indefatigably persistent, and I will always be rewarded for my persistence.

I possess unflappable singleness of purpose.

I always live with the ambition to be the best I can be.

I remain very calm under grave provocation and intense stress.

I know I will grow continuously as long as I live.

I have exceptional tolerance for severe physical pain.

I am not afraid. Nothing can scare me.

I am very centered and secure.

I have exceptional tolerance for severe emotional pain—fear, guilt, and anxiety.

I am an excellent example of how a person tolerates moral pain—ethical conflicts, betrayal, and confrontations with injustice.

I am fully willing to face death. I am not afraid to die.

Others count on me in an emergency.

I willingly face evil. I can be trusted always to stand up to evil.

I am a very strong person.

I am always in touch with my inner freedom.

Only I can change the world I have created.

There is no danger in change.

To get what I really want, I must change.

I have the power to change.

I am a free person in an unfree world.

I always act with initiative.

## **Tips for Daily Leadership**

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The following ideas are collected from seminar participants and other sources on how to insert leadership teaching into the life of your daily operations. They illustrate, in a modest manner, how to teach leadership, how to empower:

- Be a student.* Take the responsibility to initiate teaching leadership to yourself—through modeling, study, and personal reflection.
- Be an educator.* Develop your own leadership teaching materials, and use them.
- Be a teacher.* Teach your own brief course or seminar to your people about your leadership ideas and style.
- Be a dean.* Know how to teach leadership in four directions: inward to self, down to subordinates, laterally to peers, and up to superiors. Each requires unique leadership skills.
- Be a facilitator.* Encourage honest discussion of your leadership style and how it affects others. How are you perceived as a leader? People act on their perceptions of you. Do you understand these perceptions? Do you know their causes? How willing are people to be open with you in discussing your and their leadership styles?
- Be an acknowledged.* Acknowledge people's efforts to accomplish greatness in leadership by sending out attractive VIP (Values-in-Practice) cards. People value them; some end up posted on bulletin boards; others are collected in drawers and referred to with pride. If you find someone exhibiting greatness in vision, realism, ethics, courage, or several of the tactics, let that person know by sending the individual a VIP card. You can design your own VIP cards.
- Be a thinker.* Develop your own leadership philosophy, and base it on a careful summary and analysis of your own experience.
- Be a scholar.* Familiarize yourself with literary and business writings on leadership.
- Be a secretary.* Keep a log of what you are learning about leadership and about teaching leadership.
- Be a trainee.* Improve daily in leadership competence.
- Be a therapist.* Learn how to listen. (People say they listen, but they often do not.)
- Be an inventor.* Be open to new ideas. (People say they are open, but they often are not.)
- Be a genius.* Always be sure that, whatever you do, you do it as a leader.



*Be an advocate.* Begin and end your meetings, telephone calls, letters, reports, and memos with leadership awareness. Be sensitive and subtle but adamant and sincere. (This is called “framing business and professional activity with leadership philosophy.”)

*Be a chief of staff.* Devise a plan. What is your own thoughtful, personal definition of leadership? Give examples. What are your principal projects at this time? To whom do you need to teach leadership? How do you plan to teach leadership? Develop detailed scenarios and strategies.

*Be a coach.* Apply the Leadership Diamond grid technique to your personal leadership style, to your work life, to your home life, to your inner personal or spiritual development, to your boss’s leadership style, to your colleagues’ leadership styles, to your subordinates’ leadership styles, to your principal project, to any individual task.

*Be conscious.* Develop a monitoring system to ensure that you continuously maintain leadership awareness.

*Be an observer.* Whenever you discuss a business or technical issue, divide yourself in two: leader and observer of your leadership. As observer, ask yourself, continuously, “Am I acting in a leadership fashion? Do I, at this moment, fulfill the criteria of the Leadership Diamond?”

*Get reaction.* Ask others to continually feed back to you information on how well you are doing as a leader.

*Stick to the basics.* Prepare calendars, appointment books, and other accessories that refer to the basics of your leadership philosophy.

*Be open about your philosophy.* State the essentials of your leadership philosophy on your business cards and stationery.

*Develop in Leadership Diamond terms.* Take these four steps toward a complete program of personal and organizational development in Leadership Diamond terms: (1) understand the theory; (2) diagnose your own leadership authenticity and that of your organization; (3) create a master plan for leadership development, both for yourself and for your organization; (4) keep a daily journal in which you plan and record the appropriate tactics for the day.

*Craft your own leadership mind.* Spend several minutes early in the morning organizing your leadership day.

## **A Multiphasic Effectiveness Program**

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The focus on productivity results means attention to a single topic: quality, as in high-quality products and services, high-quality organizations, and high-quality people to support them. Quality requires action plans. What do you need to make action plans work? You need a multiphasic effectiveness program for the area where company and individuals overlap.

*Have ideas.* You must have the ideas. Understand them, see them as tools, apply them, practice them, and improve on them. You must read, write, and use images as clarifying and mnemonic devices. You must appreciate the wisdom of the deeper, the philosophical side of life. Ideas can be taken home. They are gifts that can be passed on. Their value increases with use and generosity, and their magic is contagious.

*Seek out other people.* Everyone requires a support group. You cannot do it alone. You need people who understand you, care about you, and are willing to help you faithfully through difficult times. Furthermore, you need people for whom you can do the same. You will grow as a person to the degree that you give support to others. Do not be afraid or ashamed. Actively seek out people who will really help you succeed, who want to help you and have your interests at heart. The world is large, and no matter how isolated you feel, there are friends to support you. Even if you do not feel the need for a support group, you probably do need one and have little idea of how helpful other people can be. You need a network. You need inspiration and stimulation. You need bonds and loyalty, friendship and camaraderie. Because for executives distances are great and times are short, it is essential that the modern leader understand and use the latest in communications in technology and contribute to its continued development.

*Make a commitment.* This is the area of will power, self-discipline, and determination. You need to make up your mind and know in your heart that success is mostly a function of personal decision, resoluteness, and acceptance of your existential aloneness. You must

be fully prepared to exist as an independent and autonomous person, have your own visions, and always think for yourself. You must continuously maintain the big picture, although you must also be prepared to revise it according to current feelings and realities. To think for yourself is to always exist in two worlds: the realm of distant and overarching goals and the earthy soil of the fully engaged here-and-now. There is no substitute for will power, determination, and persistence. Executives with leadership responsibilities are often much weaker in this area than they think they are.

*Set priorities.* The successful use of time is a function of enthusiasm, energy, joy, hope, authenticity, health, and love of work. It also is related to self-acceptance, to the faith one has in oneself. Can lack of self-confidence be remedied? Yes. Find ways to do those things with which you have had success.

*Mentor.* Mentoring is to identify potential leaders and teach them the leadership mind, on the job. The prerequisite is respect for learning. Mentoring, developing subordinates, is a crucial responsibility of leadership and is also good for the mentor. An old Chassidic saying assures us that, in teaching, the teacher learns five times as much as the student.

Remember, you are of service not when you are dependent and servile (for then you are of no use) but when you are independent and autonomous. Then you can focus on the consciousness and needs of others. Do not think of yourself. Think of others. This is what the market (reality) wants, and it will respond.

*Use multiple intelligences.* You must know your intelligences. The eight intelligences, discussed earlier, correspond to the Leadership Diamond points. Vision is enhanced through the practice of logical and transcendental intelligence. Reality is reinforced through training in somatic and marketing intelligence. Ethics can be developed through team intelligence and the intelligence of wisdom. Courage is an outgrowth of motivational intelligence. Esthetic intelligence, which thrives on metaphor and imagery, generally enhances the spirit of greatness.

*Control your mind.* Leadership means control over the mind. The authentic leader does not accept the mind as he or she finds it but chooses either to construct or to wake up to the specific leadership mind: an inner space, unified, with room enough for conflict, paradox, and contradiction, committed to greatness in vision,

realism, ethics, and courage. Athletic achievements and sports training usually provide us with good examples.

*Know your tools.* You have two kinds of tools. Use them. One set is ideas. Science and other forms of conceptual systems help us cope successfully with our environment and with life as a whole. This skill certainly has been a key to what it means to exist as a human being in the world. The other set of tools is feelings, emotions. In human-core matters, feelings are tools in leading people—above all, the feelings that you arouse in them as boss or subordinate, authority or supporter. Feelings are what people remember and respond to.

In boss-subordinate relationships, feelings and deep-seated agendas may be mobilized. In managing these feelings, both supervisor and subordinate grow as persons and authenticate their relationship. To use these feelings as a management tool may become manipulative and unethical, but to talk about them, reflect on them, and share them can be magnificently growth producing, for it elevates the boss-subordinate relationship to a higher level of human connection and communication. The process of reflection moves the relationship from consciousness to self-consciousness, from having feelings to reflecting on these feelings. Two people may be angry with each other. That is a normal or ordinary human feeling. But they may step up to a higher contact and jointly reflect on their anger. What does it mean? Where does it come from? What is its value? What is its price? What are the consequences? As they uplift their communication, they reach an energy-releasing rather than an energy-draining level of human interaction. Such a radical shift of awareness produces personal growth; perhaps no real growth occurs without it. But the act of reflection, of stepping up from consciousness to self-consciousness, is usually accompanied by significant anxiety. The presence of anxiety is how it feels to grow. Anxiety is the growth process itself. To learn the ethical use of ideas and feelings is one more step in applying the Leadership Diamond model.

## Proposals and Recommendations

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The Leadership Diamond leads to the following strategic proposals and structural recommendations:

*Proposal 1:* One-third of organizational resources (money, attention, emphasis, energy, time) should be devoted to leadership—not to production, administration, maintenance, or management. How? By, for example, framing meetings with leadership (the way a religious school frames science and mathematics classes with devotionals); training everyone in leadership; managing by walking around and discussing leadership with employees; providing incentives for spending leadership time and effort and, in general, promoting, as the highest priority, the spirit of leadership throughout the organization. Specifically, assign a different person at each meeting to make a brief presentation on the challenge to greatness in leadership. This assignment affords each team member an opportunity for imagination, creativity, research, and wisdom. Assign another to end the meeting with a greatness-in-leadership audit. The person is in charge of evaluating the team's performance in the meeting: How well did we conform to the desiderata of the Leadership Diamond? Citing examples, both positive and negative, will be of great help.

*Proposal 2:* Colleges and universities could offer a degree in leadership and require of all their graduates a minor in the field, where leadership training emphasizes its reliance on the humanities.

*Proposal 3:* Leadership training in business and the professions could be viewed as remedial work in the humanities. Students today graduate often with technical skills but not with human skills. At the beginning of a business or professional career, deficiency in the humanities may mean little, but as promotions are achieved and responsibilities shift from things to persons, the need for the humanities multiplies. Ten years into a job, the executive with a background of skills and no humanities will suffer from the lack.

*Proposal 4:* Healing is probably no more than 50 percent medicine and surgery. Easily the other 50 percent, often the critical difference, is personal attention, care, dialogue, and intelligent and compassionate understanding of the subjective needs of patients. With love, it is possible to take the anxiety out of medical procedures and thereby accelerate healing. The Diamond is not only about love but about toughness as well. Thus leadership philosophy is as important in a hospital as it is in a factory.

*Proposal 5:* There must be continuous integration of leadership philosophy and depth into the daily work experience.

*Proposal 6:* One has a right to expect slow but consistent improvement.

How can philosophical depth in leadership become operational? Consider the following philosophy-in-business model seminar: Starting at the top, work down and help line managers become leadership teachers. (Leadership, whether in your private life or in your organization, cannot be delegated.)

Set up three-and-a-half-day off-site seminars to teach the tools for individual functions. These seminars have several special features. Nights are needed for incubation (decompression and integration). The function's boss (the leader of the intact team) starts the seminar by setting the tone. Best is to use a "requests-commitment-obstacles" framework. The boss, carefully and with emotional honesty (that is, from the heart), states what he or she wants from people, what he or she is committed to give, and what are the obstacles to accomplishments. Specifically, here is advice to the leader addressing his or her people:

- Speak from the heart. Only in this way will you be heard.
- Tell the group members what you need and want from them for your own success.
- Tell them what you plan to do for them, what you will give them for their success. Address individual needs as well as group concerns.
- Discuss the obstacles that stand in the way of achieving your goals. Explain why what you hope for may never happen.
- Give proof that what you say is not just words but will occur.
- Explain your personal leadership philosophy. Avoid clichés.
- Be open about where you are vulnerable.
- Expect the team to monitor how well you adhere to your philosophy.

This exercise can be repeated by all participants. It is useful to videotape it and play it back at the end. It is always an emotional experience to see yourself reflected talking about your own depth, about the things that matter most to you.

Clients join for half a day. A bank may invite some of its major customers. First they hear, from the bankers, the bank's philosophy. Then they tell the bankers what they as customers need from

them. An automobile company invites a group of satisfied customers from a competitor. This module generates a lot of energy.

One day is devoted to action planning and, above all, to acting. Take a step, a stand. Make a commitment, irreversibly. These things must be allowed to happen spontaneously. They can never be forced.

The following incident illustrates the “requests-commitment-obstacles” framework:

A highly qualified Third-World scientist was running the engineering research division of a large high-technology company in Germany. Anti-immigration feelings were strong in Germany because of a series of terrorist activities. The scientist’s group of direct subordinates conducted a team-building seminar. Speaking frankly, the scientist started with this purpose statement: “I am an immigrant in Germany. Immigrants have had bad press. We are a good and proud people. It is unfair to condemn a whole people for the actions of a few. We all regret terrorist actions, profoundly. I need to be successful, for the sake of my people. I need to show that an immigrant is a civilized contributor, and especially to a First-World country. I am doing my very best to be a good engineer and a good leader. I need to be successful for the sake of *all* people, for if one person is judged unfairly, then society itself is unfair. If democracy is denied to one, then it does not exist for anyone. Our vision is greater than this business. Only you can make me successful. I know that, and you know that, for it is your efforts and your loyalty that make all of us meet our objectives. What do I want from you? I want you to help me be successful, and I want you to know that without your devoted help I can never be successful.” Then he cried, for the first time before his people. He did not lose credibility. On the contrary, he earned it. After that, his own boss, a senior vice president, was overheard to say, “The engineering-research organization has become the star of our company. I wonder why.”

Participants choose projects, individual or collective, that are key to their jobs. Every participant chooses one (or participates in a group endeavor). These projects are then carried out, with supervision, in terms of the principles of the Leadership Diamond model.

Periodic review sessions of tools and projects are established. These sessions can be short but must be ongoing. Success measures are developed and agreed to by participants. Here it is useful to

distinguish between micromeasures (such as morale and continuous improvement) and macromeasures (such as profits and stock values). Individual CEO mentoring, executive support, leadership coaching—that is, personalized instruction in philosophy—is necessary and should be provided. Do not conduct an off-site seminar if it feels like taking time off from work. Do it only if that is where some of the organization’s real leadership work is being done. The common error is to do too little, too late.

## **Leadership Strategy Exercise: How to Get Promoted**

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Following is a typical checklist, a kind of worksheet, of how mentoring for middle management, in the context of Leadership Diamond theory, can be accomplished. Mentoring is the task of the leader. Leadership is to develop people, to empower them.

### **Leadership Tasks**

In your life, there are six interlocking “Olympic circles” of concern: work, family, self, social responsibility, financial strength, and ecological accountability. In this exercise, you emphasize work, but you are nevertheless conscious of and sensitive to how work spills over to home and self, as well as to the other regions, and how, conversely, the latter affect work.

#### *Setting Goals and Making Contracts*

List your goals, dates and all. Indicate that by a specific date your performance-appraisal rating will be (for example) “exceeds job requirements” and your potential will be rated confidentially (for example) as “director,” “general manager,” or “vice president.” Commit yourself to the following contract: “I know that these goals can be realized, and I am determined to make them happen. But unless my heart is in my contract, it will not work.”

#### *Writing a History*

Write a brief record of your performance and evaluation histories, consisting of both positive and negative comments, of actions you have taken and not taken, and of results or consequences they have



brought. Correlate these evaluations with other events in your life. (How, for example, are events in your childhood related to your job performance?) Assess the fairness of these evaluations. As is true of a medical anamnesis, history gives us clues about what needs work to ensure our future health and success. Our work biography gives us clues to trends. Are we slipping? Are character defects showing that have been hidden until now? Are there pockets of success that are new to us?

### ***Obtaining Feedback***

Continuous and accurate (that is, honest and courageous) feedback is critical to career success. Who are the people whose feedback is important to you? What can you do to elicit frequent and reliable feedback from them? Who are the people who really understand the workings of the organization? What are your resistances to asking for feedback? To accepting feedback? What are the resistances of your supervisors to providing you with meaningful feedback? What should you be told that you are not being told? Why not? What can you do about it? What has been the cost to you of not sufficiently emphasizing feedback? If you get accurate and continuous feedback from a responsible supervisor, committed subordinates, and concerned peers for one year, then you give yourself the best possible chance for success. Do you make it easy or even possible for your supervisor to provide you with useful feedback? Are you sensitive to your supervisor's own career needs and personal difficulties? The serious request for meaningful feedback not only provides you with information on how others perceive you but develops good personal relationships with people critical to your career success. You must create a sense of alliance with them. Write a careful analysis of your feedback requirements, spelled out in detail. Use the preceding questions as a guide.

### ***Ensuring Reciprocity***

Evaluations in the feedback contract should be reciprocal: the boss evaluates the subordinate, and the subordinate evaluates the boss. Perhaps the presence of a third party can help the evaluation be intellectually profound, behaviorally accurate, and emotionally safe. People can also help each other learn what kinds of evaluation make sense. A subordinate can inform the boss about

how he or she responds to evaluations, how evaluations can be carried out more effectively, and vice versa. All these forms of human relationship are delicate. Many people just do not have the skills to ensure that they will produce growth rather than resentment, but all human contacts, in business and the professions as well, are opportunities for personal development. To be an effective leader is to stimulate growth in all management contacts. An appropriate action step here is to suggest to your superior how the performance-assessment process could be improved (that is, made more productive).

### *Understanding Results*

Are you effective? Do you achieve results? Can you operate independently and alone? What, in your case, are results? You may follow superiors' orders, suggestions, and guidelines but still not achieve results, and it is by results that you are measured. Results are up to you. They go beyond what your supervisor advises. You will be measured not by how well you follow instructions but by the results you bring. What do you need to do in order to be effective? Whose help do you need? Who is your customer? What is your schedule for results? To what degree do your supervisors and colleagues support your effectiveness, and to what extent do they interfere with it? What are your strategies for dealing with sensitive boss-employee relationships? How aware are you? How realistic are you? How perceptive? How smart? In your career, feedback and results are everything. Write an assessment of your effectiveness and strategies for improving it.

### *Creating a Study Outline*

Create an outline of a leadership-study program. (This program may include university classes, individual coaching, reading, developing a bibliography of critical readings, seminars, discussions with leaders you admire, subscriptions to newspapers, magazines, and other publications that you should consult regularly, and friends and support groups.) Then develop a detailed schedule of readings and assignments.

### *Diagnosing Your Style*

Analyze the value of your own personal leadership style. Out of this analysis should come a useful diagnosis of your leadership style and

an effective strategy for seeing exactly where your leverage is for progress and improvement.

Repeatedly diagnose your own style, and have your colleagues also diagnose your style. You can then learn by comparing notes, which will also enhance your relationship with your colleagues.

### ***Identifying Obstacles***

Write a thoughtful statement of the obstacles you find to be in the way of your achieving the goals set out in your personal leadership strategy. Never underestimate the importance of ferreting out unconscious resistances and suppressed assumptions by checking for obstacles. Examples are lack of training, lack of experience, transfers, resignations, poor coaching, blindness and ignorance on your part and on the part of supervisors, poor examples, a difficult corporate culture, reorganization, irrational behaviors, human insensitivities, turf conflicts, stresses at home, and so forth.

### ***Imagining Future Scenarios***

As a leader, you need to understand the possible future scenarios of your business and your organization, and you must have contingency plans for them. Describe in writing some of your alternative futures, with corresponding action plans.

### ***Seeing the Effect of Spillovers***

How does your work situation affect your private life and your sense of self? Conversely, how do the latter two affect your work? Write down your thoughts.

### ***Identifying Measures***

How do you know that you are successful? Are you being recognized for good work? What can you do to get the credit you feel you deserve? Are you making progress fast enough? Do you lie to yourself? Identify the milestones by which you can monitor your progress, and write them down.

### ***Teaching Leadership***

Should you plan a seminar or an off-site session with your people? What should it look like? What is its design? What could you achieve? Are there other ways to reach the same goals? Are some objectives achieved by an off-site seminar that cannot be accomplished in any

other way? Do you need a facilitator? Are there new ways in which you should conduct your meetings? Should you change your mode of participation in meetings? Consider making a leadership module a standard part of meetings, job descriptions, advertising, communications, memos, and so on. Write down your plans for extending leadership greatness to your work group, department, organization, and so on.

### ***Selecting a Project***

What are your business priorities? List your principal job objectives, in the order of their importance. Select one of them to work on, using the Leadership Diamond grid technology as a guide to creating a diagnosis of your principal project. Note down your strategy for executing it with greatness. Be sure that you deal with root causes, that you devote yourself to what will yield the results required for genuine leadership success in your present work. It is easy to deceive yourself.

### ***Making a Reality Check***

Remember that emotional and unconscious forces undermine many rational solutions. When you request feedback, always add these questions: “Are we discussing the right issues? Are we completely missing some key points? Are the real issues elsewhere?” People are emotionally dishonest with themselves and with others. Envy, fear, saving face, pride, and residues of childhood behavior patterns have no rightful place in one’s current business and professional realities.

### ***Seeing Yourself Objectively***

See yourself as others see you. See yourself through the eyes of your boss. Imagine that you are being interviewed for a job. The interviewer is your present boss, and the job for which you apply is your present job. Pretend that a stranger, on whom you are depending for employment, asks you the kinds of trick questions that induce job applicants to reveal more of themselves than they want to: “Tell me about yourself.” “What don’t you do well?” “Describe your previous boss.” “What would be an ideal job for you?” Reflect on your answers. What would you think of them if you were the prospective employer? Can you see yourself objectively? In an-

swering these questions yourself, can you put yourself in the shoes of your interviewer? That person is not interested in you (as your mother might be) but in finding a suitable employee.

### *Tying Up Loose Ends*

List any important items for your leadership strategy not previously covered.

## **Character Strength**

One basic point not covered so far is the strength of personality required to make certain that your contract is not mere words but is translated into real and meaningful action. People often do not know why their plans do not materialize. There exist character defects, as well as lack of self-knowledge and outright self-deception, that people absolutely refuse to see. The soul needs to protect itself against the truth, for it chooses not to tolerate the anxiety mobilized by the ensuing conflicts.

Making your contract work requires clarifying your own values. Who are you? What do you live for? What is important to you? Are there things more important to you than life itself? Under what conditions would you resign? Too many business-growth programs begin with this statement: "Give me your goals, and we will show you how to get there." These goals can be goals for life, regarding values, or they can be business, professional, and financial goals. But for many deep people and deep organizations, the problem is not how to reach goals but how to find the goals in the first place. We may have the technology to reach goals, but we lack the wisdom to know what they are. The modern surge in technology has taken us not one inch closer to answering the most ancient question of all: What is the meaning of life?

It is also necessary to manage the self in an impersonal organization. Organizations often try hard not to be impersonal, but the system makes that impossible. One aspect of the systemic need of an organization is to be prepared to sacrifice the individual—even though, presumably, the organization exists for the welfare of individuals. But the decision test always is plural, not singular: *individuals*, not *the individual*. That is not because organizations are malicious; it is an inherent contradiction in the very concept of an

organization, and individuals must learn how to protect themselves. Subjectively, that dilemma appears as a series of painful issues: how to live ethically in an unethical world, how to find justice in an unjust world, how to find freedom in an unfree world, how to find love in an unloving world, how to find understanding and compassion in an indifferent and cruel world.

This conflict leads to the last character requirement needed to breathe life into the contract. It is to realize that what happens in your world is the result of your own actions, of your access to your own free will, your center, your inward power. In other words, if you are not acting with sustained initiative, then your contract is null and void. An organization may have its own life. An organization may be impersonal. An organization may be a collection of isolated individuals. But it is also a collection of dialogues, of reactions and interactions, of responses, of requests and commitments. And there are dialogues with other dialogues, dialogues within dialogues. Think of all the hearts that are now beating and of how they interplay with their environments. In many of these dialogues within other dialogues, you play a role, perhaps the central role. And you become part of the dialogue of the whole.

## Organizing Your Leadership Day

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This is an exercise to be done daily. It takes about fifty-five minutes. Its purpose is to ensure that your life will follow the requirements of the Leadership Diamond and will therefore increase your chances to double your leadership effectiveness. If you think you cannot afford the time, you can adjust this exercise to do it once a week (preferably on Sunday evening, if you work on a regular five-day-week schedule).

- *Secure the leadership mind-set (5 minutes).* An airline crew uses a preflight checklist. Among the many items on it is the requirement for the aircraft wing flaps and slats to be in the proper position for takeoff. Just as there is danger in not readying an aircraft before takeoff, so there is a problem with not having a properly tuned mind before embarking on a day of leadership responsibilities. You need to organize your leadership mind in the morning. Make certain that you have completed your inner checklist, which

is the Leadership Diamond model. When all systems are confirmed, then take off.

Start your day in total solitude. Ensure yourself a moment of integrity, a zone of absolute and total health. Give yourself a greatness moment. Guarantee yourself time with just you, time about you and for you. Start the day reclaiming your life so that you will be yourself and not someone else, so that your day consists of the leadership mind that you in fact choose to create. Feel the center.

Choose to be a leader in all aspects of your own life. Go over the Toolbox (see Chapter One) and make the effort to organize your mind in accordance with its principles. Create a clear image of what it means to do everything in keeping with the strategies, formula statements, and tactics of the model. Keep all of them in mind at the same time. Be certain that all the elements of your leadership mind are in place, and do not lose sight of them during the rest of the day.

Know your diagnosis. Have a plan to respond to it during your leadership day. For example, if your weakness is attention to detail, and if you understand the costs and have an insight into the resistances (what you do not wish to face), then, if that is what you choose to do, you can consciously correct this deficit during the day and watch the results pour in.

Monitor your achievements and, at a future time, record them in a journal. Remember, your goal is growth in leadership intelligence. Set yourself clear objectives, and seek small victories. What, in a larger sense, do you expect to be different as a consequence of turning on and locking in leadership intelligence? Develop a long-range system to keep track of results.

- *Get information (5 minutes)*. Know today's world, the world you are about to enter. Learn to glance over key publications. Train yourself to read quickly and scan instantaneously. In this fashion, cover at least one trade journal, one company report or publication, one local newspaper, and two international newspapers—one for general news (such as the *International Herald-Tribune*) and one for economic news (such as London's *Financial Times* or the *Wall Street Journal*). If you have the staff, ask for a professional briefing each morning. But it is not enough to read. You must also reflect on the importance and relevance of what you read. You must distinguish between hard and soft news, core facts and irrelevancies.

- *Set priorities (5 minutes)*. Have your priorities in order so that whatever you do during your day, you experience it in the context of your fundamental values and priorities.

You need three levels of priorities. Level 1 is the meaning of life, for you. It is your answer to the question “What is your philosophy of life?” Whatever you can write down to at least show awareness that life needs a meaning, a goal, a legacy will help you in your day. Goals may be as diverse as to find God, to live every day fully, to be a great father or mother to your children, to make a fortune, and to discover a cure for cancer.

On Level 2 you find your distant or mediate goals. These may be diverse, because they probably cover at least three areas of your field of existence: work, home, and self. These could be to build a vacation home, to provide for a college education, to become vice president, to take a trip, to complete a complex business project on time, to be a candidate in the school board election.

Level 3 comprises your daily or weekly tasks, your immediate obligations. This list must be complete. Make it as long as necessary, but you must revise it continuously during the day. The order is critical. Plan to do only the top three or four items. Whatever does not make it to the top does not get done. Keeping these three lists of priorities before you will help you organize your values and contribute to making you an effective leader.

- *Rehearse your day (5 minutes)*. Be well organized the night before. Look at your schedule. Think ahead. Anticipate problems. Plan solutions. Get the big picture. Know what needs to be accomplished by the end of the day. Be prepared for obstacles and frustrations. Be ready for surprises, so that you may not have any. Produce your own mental psychodramas with the people and events you may meet, especially those that may cause you frustration and lead to anxiety and depression. Be flexible, adaptable, responsive, and alert.

- *Review your levels of resistance, self-deception, obstacles (5 minutes)*. Watch for self-deception. Self-disclosure, self-revelation, self-knowledge, clarity about oneself—these are the results of overcoming self-deception. You can waste your life pursuing false gods. Don't do it.

Try to hear your inner voice. Consult it for what you believe are the things that matter most. This is the most difficult task each



morning. Do not be afraid of conflict and pain, but do expect joy and exhilaration. Expect a new health. Do not revert to type. Be ready to enter into fresh dialogues with the range of people with whom you work.

The levels of resistance against the leadership success that you genuinely need and also deserve, the levels of self-deception with which most people live, fall into the following categories of increasing depth:

- Psychodynamic, individual—the biases you bring with you from childhood, assumptions that you do not know you are making. Try to understand them. Be open to them. Compare yourself with others. Touch on your possibilities.
- Systemic, cultural—the mass hypnosis resulting from the strength of the various cultures in which you exist. Again, these assumptions operate without your knowing. Herein lies their insidious power.
- Ethnic—your heritage, which, in addition to stemming from the cities of Athens and Jerusalem, for most Westerners, derives from your family's unique background and tradition. Here again, you may tend to simply swallow assumptions about what is right and wrong, good and bad, valuable and worthless without awareness or examination. Do not be victimized. Instead, be in charge.
- Philosophical—the universal human condition: facing death, needing love, requiring justice, sensing guilt, being anxious, craving joy, aspiring to immortality or deathlessness, leaving a legacy, expecting warm and supportive human relationships, belonging, defining home and identity, and being a winner against the competition.

Resistances are at the same time the source of your insights and the seat of profound and satisfying values. In the existential crisis, anxiety leads to character, and the exploration of doubt can lead to certainty. In resistance, self-deception leads to answers. The obstacles may be sources of deceit, but they also can guide you to answer the eternal questions.

- *Review your promises (5 minutes).* During the day, you should keep a record of promises and commitments you have made and

of outstanding requests and promises that others have made to you. You must note to whom you made the promises and when, of whom you made the requests and when, and the promises that you expect others to fulfill. Business and professional relations are mostly matters of making and requesting promises, keeping them, and expecting the same of others.

Promises are not merely explicit. People base their expectations on what you say and on what they *think* you say. Violations of expectations feel like betrayals, even such relatively insignificant matters as telephone disconnections, incorrect billings, erroneous shipping, conflicting information, delayed or canceled flights, lost luggage, lost mail, and so forth.

Keep your promises. Expect others to keep theirs. Renegotiate any changes. It is through keeping promises and expecting the same from others—in business, the professions, politics, or personal relationships—that you achieve credible leadership performance.

During these five minutes, you must review your list of promises and ensure that they are kept or at least acknowledged and perhaps renegotiated. You are not expected to be tied down, only to be consistent. If you need to change a promise or a request, then discuss it with the party concerned.

- *Assess progress on your project (5 minutes)*. Are you managing your principal project in a leadership way? Are you doing it with greatness?

You need a strategy for your projects and tasks, especially your most significant, critical project. This project may cover all aspects of your life, from changing careers to improving your marriage or your work, to setting up more effective and cost-conscious systems for quality control. Remember that you are the program manager for your project, whatever it is.

How are you doing on the project? Are you satisfied with your progress? Are you on-course? Are you keeping or losing interest? Are you getting complacent and bored, or is the original surge of energy still there? Are you getting results? Are you, daily, keeping before your eyes your commitment to achieve greatness in this project? Are you revising and updating your strategies? What do you need to change to enhance your leadership effectiveness in your principal project and be assured of results?

- *Make suggestions (5 minutes).* Make three specific and vigorous suggestions to yourself and three to your organization, in Leadership Diamond style, on what steps you can take to improve your leadership effectiveness. During the day, keep a record, evaluate the ideas, monitor your actions, and measure results. This simple rule will preserve your alertness—the key ingredient of the leadership mind.

- *Watch for results (5 minutes).* Measure your progress. Keep a daily log. Reinforce your resolve. Reward yourself for progress. Feel the exhilaration of new hope.



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