

# **Becoming the Next Leader: Are you Ready?**



OREGON  
*Alliance*  
of Children's Programs

**Presented By:  
Jeff Bormaster**



# Becoming the Next Leader: Are You Ready to Lead?

8:30 am – 3:30 pm

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## Outcomes:

1. Assessing your readiness to step up to the CEO/ ED position
  2. How to ready yourself and the organization for transition
  3. Assure that the cultural diversity needed for success is addressed
  4. How to increase your chances for new leader success
  5. What parallel practice is and how important it is to your success
  6. Case study: How to meet the Oregon requirement for using evidence based practices and why EBP fails to improve outcomes
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8:30	Welcome, Outcomes and Process, Organizing for the day
8:45	How The World is Changing: Our Context
9:25	The Riddle of Change
10:00	Successful Organizational Change
10:40	Successful Leaders and Their Abilities
Noon	Lunch; Read Bringing Out The Best In Your People
1:00	Increasing Leader's Abilities
1:20	Using Parallel Process
1:30	Case Study: Implementing a EBP: Trauma Informed Care
2:30	Trust and Leadership
3:00	Personal Leadership Development Plan
3:15	Closing and Evaluation
3:30	Adjourn

# Becoming the Next Leader: Are You Ready to Lead?

## 8:45 How Our World is Changing: Our Context

### 1. America is Aging

#### The facts

1. America is aging; Baby Boomers (organizational leaders) are retiring
2. The largest intergenerational transfer of wealth will occur over by 2050; estimated to be 41-136 trillion dollars with 15% going to charities

### 2. America is becoming more Diverse

#### The facts

1. Caucasians in 1990 were 75.6% populations; in 210 were 63%
2. 11% US Population is immigrant
3. 1:9 residents are immigrants; 1:4 low wage earners

### 3. Americans are Moving

#### The Facts

1. ½ US population now lives in metro areas
2. 50 million baby boomers are expected to move from Northern to Southern states over the next 5 years as they retire

### 4. Families are on the Decline

#### The Facts

1. Single childless households now exceed married households
2. In 1970 1:10 women in their 40s were childless; in 2010 it is 1:5
3. Over half of all marriages end in divorce
4. In 1960 68% of all twenty somethings married; in 2008 26% did

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### 5. Children are at Greater Risk

#### The facts

1. 22% of children are living in poverty in 2012
2. 40% of children are born in a home without a father
3. Children are 24% of the US population but 36% of the poor
4. 22% increase in last 5 years in the number of children living in extreme poverty – now 5.6 million
5. Families with an income below \$15,000 are 20X more likely to abuse or neglect their children than families with incomes over \$30,000
6. Children in Out-of-Home care:
  - 899,000 confirmed cases of abuse or neglect in US in 2007
  - 400,000 children were in out-of-home care in 2010
  - 39% of children in out-of-home care had been there less than one year; 28% of children had been on out-of-home care over three years
7. Number of children in the United States who died because of abuse or neglect in 2010: **1,537**
8. 79.4% of child deaths due to abuse and neglect were children under the age of 4
9. There were 3.6 million reports of abuse and neglect in 2010
10. Abused and neglected children are 11x more likely to engage in criminal behavior
11. 80% of young adults who were abused or neglected meet criteria for at least one psychiatric disorder by age 21

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### **6. Children of Color are more likely to be Removed and less likely to be Reunified**

#### **The facts**

1. Rate of removal per 1,000 children per race:
  - For every 1,000 Caucasian children in the pop, 5 are removed**
  - For every 1,000 African American children in the pop, 21 are removed**
  - For every 1,000 Native American children in the pop, 16 are removed**
  - For every 1,000 Hispanic/Latino children in the pop, 7 are removed**
  - For every 1,000 Biracial children in the pop, 4 are removed**
  - For every 1,000 Asian children in the pop, 2 are removed**
  
2. Major studies found a Caucasian child was 4x more likely to be reunified with family than an African American child
  
3. 22% of children under 18 live in poverty: 12% white, 38% African American, 35% Hispanic

#### **9:00 What does this mean for us as (future) organizational leaders?**

Directions: (1) Form a small group of 3 – 4, then (2) pick a reporter and (3) discuss what the facts say to us as future leaders of helping organizations

You will have 10 minutes till you report out at 9:10

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#### **9:10 Large group discussion**

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## **9:25 The Riddle of change**

Directions: (1) Pick a new group reporter, then answer the following question through discussion. You will have 10 minutes.

**What do the following say about change efforts?**

- **Making New Years resolutions**
- **Crime recidivism**
- **Beginning a diet**

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## **9:35 Reports to large group**

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## **Becoming the Next Leader: Are You Ready to Lead?**

### **9:45 Statistics on successful change**

- Ninety-five percent of those that loose weight on a diet regain it, and a significant percentage gain back more than they originally lost.
- Even after a heart attack, only one in seven patients makes any enduring changes around eating and exercise
- Twenty-five percent or people abandon their New Year's resolution after one week. Sixty percent do so within six months.
- The average person makes the same New Years resolution ten separate times without success.
- If increasing punishment of criminal offenders worked we would not have a repeat offender's problem.
- Seventy percent of organizational change initiatives ultimately fail.
- A national study conducted in 2006 by CompassPoint and the Meyer Foundation identified that between 60 and 75 percent of nonprofit executive directors plan to leave their positions in the next five years. Furthermore, 10 to 15 percent of nonprofits hire a new executive every year.
- In 73 percent of founder-CEO replacements, the founder 's replacement was fired rather than voluntary stepping down. The Founder's Dilemmas, Noam Wasserman
- Statistics show that people who follow nonprofit founders have about an 85 percent failure rate. Nancy Levick

**What does this say to us about becoming the next CEO/ ED and succeeding?**

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# **Becoming the Next Leader: Are You Ready to Lead?**

## **10:00 Successful Organizational Change**

**If we are going to be successful leaders of successful organizations, then we have to start with understanding what the studies of successful organizational change say.**

Directions:

1. Read the study finding on pages 8 – 11. This should take 10 minutes
2. In your group, (1) pick a reporter) then (2) by discussion and agreement answer the following question. You will have 10 minutes.

**What do the studies tell us about successful organizational change?**

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## **10:20 Reports to large group**

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## **10:30 10 minute break**

## **Becoming the Next Leader: Are You Ready to Lead?**

David Kearns, who served as President H.W. Bush's US Deputy Secretary of Education, reported that in the early 1990s he and the Bush Administration invested over one hundred million dollars in researching excellent schools and effective curricula. They packaged their various school designs into products – even giving them names and logos. They pitched their products and created training programs and extensive support systems. They sought to replicate their successes. After disseminating all of the best practices reinforced by quality control systems, and after all of the time, money and effort, Kearns concluded that they were unable to replicate their success to other schools. They had approached education as a product that could be scaled up in a linear fashion. They approached teachers like manual workers instead of recognizing them as knowledge workers. Kearns learned that education reform is not about product development. It is about people development.

Gretchen Spreitzer and Christine Porath, Creating Sustainable Performance, HBR, January-February 2012, page 92

What makes for sustainable individual and organizational performance? Employees who are thriving – not just satisfied and productive but also engaged in creating the future. The authors found that people who fit this description demonstrated 16% better overall performance, 125% less burnout, 32% more commitment to the organization and 46% more job satisfaction than their peers.

Thriving has two components: (1) vitality, or the sense of being alive and excited and (2) learning or the growth that comes from gaining knowledge and skills. Some people naturally build vitality and learning into their jobs but most employees are limited to the culture of their work environment.

Helping people grow and remain energized at work boosts performance in a sustainable way. Four mechanisms, none of which requires heroic effort or major resources create the conditions for thriving:

- Providing decision making discretion
- Sharing information about the organization and its strategy (*organizational transparency*)
- Minimizing incivility ; treating staff with respect
- Offering ongoing performance feedback; job supervision which is not case review

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The OZ Principle: Getting Results Through Individual and Organizational Accountability, Connors, Smith & Hickman, 2004

Accountability is achieving desired results. Results must be clearly defined. Feedback creates accountability. Supervisors must hold supervisees accountable to achieve clearly defined results. The supervisor's supervisors must hold them accountable for managing their staff results. It starts with the Board of Directors, then the CEO and so forth.

Leadership Challenge, Kouzes & Posner, 2007

Based on 25 years of leadership research done with thousands of public, non-profit and for profits involving thousands of organizations, leaders and followers. Currently in its 4<sup>th</sup> edition. With each edition the authors have re-validated their initial findings, which are still accurate.

Their research highlights two core principals:

- Everyone wants to succeed in the work world – to achieve extraordinary things (results)
- The supervisor/leader's job is to help this happen. People achieve extraordinary results through their followers (teams) not on their own

They identified five practices all leaders in all segments shared when they were at their "personal best"

- Modeled the behavior they wanted from others
- Inspired a shared vision
- Sought to grow and change and help others to also do so
- Enabled others to succeed
- Cared about others; gave recognition for success/ celebrated small victories

Leadership is a relationship between those that aspire to lead and those that choose to follow. It is through this relationship, characterized by mutual respect and confidence, that we achieve extraordinary results.

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Gallup Studies report:

The biggest body of behavioral economic data comes from the Gallup study on workplace productivity, which has asked millions of workers worldwide to respond to these items for more than a decade and they always find the same thing: Miserable employees create miserable customers and poor outcome achievement

Gallup surveys have determined 28% of the American workforce is engaged, another 53% is not engaged and a staggering 19% are actively disengaged.

The 53% of non-engaged workers are not hostile or disruptive and they are not troublemakers. They are just there killing time with little or no concern for consumers, productivity, profitability, waste, safety, mission and the purpose of teams or developing customers.

And then there are the 19% of actively disengaged employees who are there to dismantle and destroy your company. They exhaust managers, they have more on the job accidents, cause more quality defects, they contribute to shrinkage, they are sicker, they miss more days and they quit at a higher rate than engaged employees.

The 28% who are engaged are the best colleagues. They cooperate to build the organization. They are the creative force behind everything good that happens. They help create new customers and retain existing customers.

Workers don't trust management according to Gallup Management. If you can't trust management you can't feel safe. 77% of employees say if they speak up their supervisor gets angry or defensive. This does not create safety. The workplace studies on employee trust in management and worker safety consistently tell us that the workplace is not safe for most employees.

Employers think the way to create safety is by having lots of rules and consistent unbending enforcement both with staff and with clients. In fact, that act creates an unsafe place for staff and clients. To create work place safety you start by identifying what rules to eliminate and engage workers in that discussion of how we create a safer place to work.

And that word, engagement, brings us to the second requirement – an engaged workforce. Lets first be clear what “engaged” means. If you look at the research it consistently describes engaged as employees willingness to give voluntary effort in support of mission achievement.

## **Becoming the Next Leader: Are You Ready to Lead?**

The Coming Job Wars , 2011, Jim Clifton sets the rate of employee engagement at 28%.

A study done by Optimum Staffing in 2011 set the engagement rate of 21%.

It doesn't matter if the rate is 21% or 28% or even 33%, the fact is two thirds of our employees are not fully engaged in their jobs.

Creating the Resilient Organization , Deevey reports 80% of employees do not identify with the goals of the organization.

The literature is clear we need to do a significantly better job of engaging our employees so they can experience engagement and so they can then engage with clients. Unengaged workers do not do a very successful job of engaging clients. It's the old formula, how those in power over me treat me, sets the model for how I treat those I have power over, aka managers over line staff over clients.

The Secret: What Great Leaders Know and Do, Ken Blanchard and Mark Miller, 2007

A leader is a person in a position of authority who is responsible for the results of those under his or her direction. Great leaders serve (vs being self serving)

**See** the future and help others see it (where we are going)

**Engage** the hearts and heads of others and develop them

**Reinvent** continuously

**Value** both relationships and results

**Embody** the values of the organization and trust

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**10:40 Why do organizational leaders need to be successful change agents?**

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**10:50 To be a successful leader of a successful agency what do you need to have in terms of abilities (knowledge and skills)?**

Directions: In your group: (1) Pick a reporter, then by discussion and agreement answer the above question. You will have 20 minutes.

Think about each of the following areas:

1. Board

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2. Funding (public and community fundraising)

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## **Becoming the Next Leader: Are You Ready to Lead?**

3. Programs/Services

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4. Personnel: hiring, retaining, cultural competency, supervision

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5. Outcomes and accountability

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6. Leading and Managing

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# Becoming the Next Leader: Are You Ready to Lead?

**11:10 To be a successful leader of a successful agency what do you need to have in terms of abilities (knowledge and skills)?**

**We will build a master list of abilities for each area:**

1. Board

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2. Funding (public and community fundraising)

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# Becoming the Next Leader: Are You Ready to Lead?

## 3. Programs/Services

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## 4. Personnel: hiring, retaining, cultural competency, supervision

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## 5. Outcomes and accountability

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## **Becoming the Next Leader: Are You Ready to Lead?**

**1:20** What does “parallel practice” mean?

1. What is our ultimate goal as a child welfare/ human services provider?

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2. What is the parallel goal for us as an agency with our staff?

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3. Why is the parallel; process necessary?

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## Becoming the Next Leader: Are You Ready to Lead?

### 1:30 Case Study for Leaders: Implementing Evidence-based Practice (Trauma Informed Care)

The Federal Administration for Children and Families Children's Bureau on April 17, 2012 issued Information Memorandum ACYS-CB-IM-12-04 which requires states to include in their health oversight plans a description of how they will screen for and treat trauma associated with removal into foster care (group and residential care), including a complete trauma history

Trauma-informed care is an organizational environment that models the treatment environment you want for traumatized clients.

It is an environment in which all staff from CEO to direct service provider understands the prevalence and impact of trauma on the mental and behavioral health of clients in care.

If an organization is going to offer trauma –informed care then the organization must provide ongoing training, positive supervision, support and consultation to staff as they implement in an environment that is not fear based.

The organization's leaders and supervisors must treat staff in the model of treatment they want staff to do with clients. A positive relationship is the strongest motivation for a person to change. Cornerstone is a relationship that is success focused, that helps not hurts (punishes) and builds trust and a secure knowledge that the person is there to help.

Staff cannot treat clients any better than their treated by their organization's senior leadership and their supervisors.

Abraham Maslow in the 1960s defined the most important need to people is "safety"

Thomas Perrin in 2007 study of 90,000 employees in 18 countries found If staff do not feel safe on the job, they will have a difficult time creating a safe place for clients.

Worldwide studies consistently report about 2/3 of employees do not trust their supervisors. More than 50% report they feel their managers do not matter – that they can be easily replaced. They have no sense of safety or positive regard.

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Oregon has mandated that agencies implement evidence-based practices.

**1:45 What do we, as the organization's leaders, need to do to implement this successful evidence based practice?**

Based on what you learned this morning, what do you see as your specific next steps and the reason for each you would recommend to the agency's leader to take to successfully implement this evidence based practice?

Directions: Your group will have 15 minutes to discuss, reflect and then report what you see as next steps. Also take a 10 minute break. Be ready to report at 2:10

**2:10 Next steps are:**

Step	Reason
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	

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**2:30 Trust**

**What does “trust mean in an organization?**

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**How does a leader build trust?**

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**How does a leader loose trust?**

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**Why is trust essential for successful leaders?**

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## **Becoming the Next Leader: Are You Ready to Lead?**

**3:00 What is your next personal step you need to take in this process of preparing to become a successful organizational leader?**

Directions; Please write what your personal next step is after you leave today's workshop. You will be asked to share these in 5 minutes

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**3:05 Sharing Next step**

**3:15 Evaluation and Closing comments**

**3:30 Adjourn**

# **Becoming the Next Leader: Are You Ready to Lead?**

## **Bringing Out the Best in Your People**

by **Liz Wiseman** and **Greg McKeown**

Some leaders drain all the intelligence and capability out of their teams. Because they need to be the smartest, most capable person in the room, these managers often shut down the smarts of others, ultimately stifling the flow of ideas. You know these people, because you've worked for and with them.

Consider the senior vice president of marketing who, week after week, suggests new targets and campaigns for your team—forcing you to scurry to keep up with her thinking rather than think for yourself and contribute your own ideas. Or, the vice president of product development who, despite having more than 4,000 top-notch software engineers on staff, admits that he listens to only a couple of people at development meetings, claiming “no one else really has anything much to offer.” These leaders—we call them “diminishers”—underutilize people and leave creativity and talent on the table.

At the other extreme are leaders who, as capable as they are, care less about flaunting their own IQs and more about fostering a culture of intelligence in their organizations. Under the leadership of these “multipliers,” employees don't just feel smarter, they become smarter. One example is K.R. Sridhar, a renowned scientist and the CEO of Bloom Energy, a green-tech firm. Sridhar recruits elite talent but is careful not to cultivate prima donnas, who might dominate the team's thinking. When one of his star scientists began relentlessly pushing his own ideas, even handing Sridhar an ultimatum, the CEO chose to place his bets on the team, even though his decision might jeopardize the next product launch. After the loss of this seemingly critical player, the rest of the team rallied, quickly learned new technologies, and successfully hit the release date.

Although working for multipliers like Sridhar feels great, these leaders aren't feel-good types; they have a hard edge. They expect stellar performance from employees and drive individuals to achieve extraordinary results.

How do we know this? Several years ago, we embarked on a study to answer the following questions: What are the differences between leaders who multiply intelligence among their employees and those who diminish it, and what impact do they have on the organization? We interviewed senior professionals in industries in which organizational intelligence is a competitive advantage—for instance, IT, health care, and biotech. We asked them to identify two leaders they'd encountered in their careers: one they felt had diminished their intelligence and capabilities and one who had multiplied them. We then studied

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more than 150 of those selected leaders in more than 35 companies, spanning four continents. We conducted intensive 360-degree analyses of many of these leaders' behaviors and practices.

We found several critical differences in mind-set between the two types of leaders. The diminisher's view of intelligence is based on elitism, scarcity, and stasis: That is, you won't find high levels of brainpower everywhere, in everyone, and if your employees don't get it now, they never will. The multiplier's view, meanwhile, is much less cut-and-dried. This type of manager believes smarts are ever evolving and can be cultivated. The critical question for these leaders is not "Is this person smart?" but rather "In what ways is this person smart?" The job, as the multiplier sees it, is to bring the right people together in an environment that unleashes their best thinking—and then stay out of the way.

### **The Five Types of Multipliers and Diminishers**

There are many ways to stifle the creativity and smarts of your team, just as there are lots of ways to get the most out of people. To assess your leadership style, take the survey at [www.multipliersbook.com](http://www.multipliersbook.com).

### **Diminishers**

#### **The Empire Builder**

Hoard resources and underutilizes talent

#### **The Tyrant**

Creates a tense environment that suppresses people's thinking and capabilities

#### **The Know-It-All**

Gives directives that demonstrate how much he or she knows

#### **The Decision Maker**

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Makes centralized, abrupt decisions that confuse the organization

### **The Micro-manager**

Drives results through his or her personal involvement

### **Multipliers**

#### **The Talent Magnet**

Attracts talented people and uses them to their highest potential

#### **The Liberator**

Creates an intense environment that requires people's best thinking and work

#### **The Challenger**

Defines an opportunity that causes people to stretch their thinking and behaviors

#### **The Debate Maker**

Drives sound decisions by cultivating rigorous debate among team members

#### **The Investor**

Gives other people ownership of results and invests in their success

Getting the most from your team is important all the time; but when the economy is weak, it's even more critical. You can't solve talent problems by throwing money at them, swapping in "better" talent at higher salaries. No doubt your employees are stretched tight, but many of your top performers would probably admit to feeling underutilized. Their workloads may be at capacity, but they're sitting on a stockpile of untapped—or, even worse, thwarted—ideas, skills, and interests.

So while you may think you can't ask for more from your people in these

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tumultuous times, it turns out you can. But only if you are willing to shift the responsibility for thinking from yourself to your employees. Our research suggests you can get much more from your team (even twice as much), without adding resources or overhead, if you lead like a multiplier—something you can achieve no matter where you are on the spectrum of leadership styles.

### **What Multipliers Do Differently**

Our studies of the leaders identified as multipliers revealed some of the unique ways they build collective, viral intelligence in teams. Specifically, multipliers manage five areas—talent, culture, strategy, decision making, and execution—much differently than their less-enlightened colleagues (the diminishers).

#### **Managing talent.**

In any organization, there are some leaders who are good at inducing top-tier performers to join the fold. But what's their purpose in bringing in new blood? More important, are they getting the most they can from these hires? Diminishers tend to focus on the act of recruiting and displaying their new resources and less so on how to develop and use that talent.

Multipliers, meanwhile, pull people into their orbit with the explicit understanding that accelerated development is part of the deal. They look for talent everywhere—they recognize that deep smarts are manifested in many different ways in a company, and so they pay little attention to org charts. Instead, they focus on finding people, at whatever level, who know the things they don't. They acknowledge people's "native genius"—not just the things people do exceptionally well but the things they do naturally, often without being asked and sometimes without being paid. Multipliers also take the time to understand the capabilities of each individual so that they can connect employees with the right people and the right opportunities—thereby building a virtuous cycle of attraction, growth, and opportunity.

That was the case at Hexal AG, a Germany-based maker of generic drugs, owned and led by brothers Thomas and Andreas Strüengmann. They used unconventional tactics for matching the right talent with the biggest business opportunities. The company didn't have an org chart; instead, under what the Strüengmanns called the "amoeba model," jobs were loosely formed around people's interests and capabilities. For instance, in the natural course of her work, a customer service assistant at Hexal discovered a way to make her job (and her colleagues') easier by creating a web-based workflow tracking system that would alert everyone to the status of orders, requests, and other customer-

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service issues. Although she had no formal responsibility for Hexal's IT systems, she took it upon herself to make things happen. She sent an e-mail to her colleagues seeking input—good idea or not? When she received a flurry of positive feedback, she set to work gathering a team and building a prototype. It was eventually green-lighted for widespread use. In this way, the brothers allowed talent to flow (like an amoeba) to the right opportunities, which spawned further opportunities. Through practices like these, the Strüengmanns built extraordinary market value, eventually selling Hexal AG to Novartis in 2005 for \$7.6 billion.

### **Fostering a productive environment.**

Corporate environments and modern organizations are breeding grounds for tyrannical management. Org charts and titles skew power toward the top and bake in incentives for lower-level staffers to shut down and comply. The result is straitjacketed thinking—with little flow of knowledge from followers to leaders. In this sort of culture, diminishers may become tyrants, heaping on anxiety. So when they ask for, or even demand, employees' boldest thinking, they rarely receive it: The more unsafe team members feel, the safer their ideas become.

Multipliers, meanwhile, counteract this effect by explicitly giving people permission to think, speak, and act with reason. They generate an intensity that demands high-level work from the team, but they also have a high tolerance for mistakes and understand the importance of learning along the way. So they create mental spaces in which people can flourish.

Consider the culture fostered by Lutz Ziob, the general manager of Microsoft Learning. His work environment is equal parts pressure and learning. Ziob is clear about the business pressures that require Microsoft Learning to grow its revenue by 20% each year. But Ziob is also the first to own up to his mistakes and shamelessly shares stories of his own blunders and learning. He allows his employees the same latitude. When a direct report proposed a risky sales promotion—offering users a deep discount on a core certification product—Ziob let him run with it, despite his own reservations about discounts being good incentives for learning. When the promotion failed, Ziob didn't need to point it out: The sales leader came to him outlining why the decision had been a mistake, what he had learned from it, and how he planned to use the knowledge to improve the product. Of Ziob, the sales leader said, "You're free to make mistakes—so long as you learn fast and you don't make the same ones twice."

### **Setting direction.**

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The greatest ideas are born out of necessity and change. A new technology comes online or an upstart competitor introduces a new business model, and the entire course of a company and industry changes. Multipliers know this. So when it comes to charting the direction for their organizations, they push employees to look beyond what they already know. By contrast, diminishers are know-it-alls: They assume their job is to have all the best ideas. Their initiatives often revolve around what the leader knows rather than what the group might learn. Team members waste lots of time and mental energy trying to deduce what the boss thinks and how to act on it.

Multipliers ask hard questions that create a natural tension that impels people to find the answers. As team members earn small wins, their confidence grows and seemingly insurmountable problems appear less daunting. Roadblocks become interesting puzzles for the team to solve. That was the approach Matt McCauley, CEO of children's clothing retailer Gymboree, took in 2005 when he set the lofty goal of growing the firm's net income per share from 69 cents to \$1. The board was initially skeptical, but the CEO was convinced it was an achievable goal. A few weeks later, he presented this "Mission Impossible" challenge to his team members, sharing his logic and his calculations based on his deep knowledge of the company's operations and inventory. He asked them: How can you and your team change what you're doing to help us achieve this goal? What will your personal mission impossible be?

The team caught McCauley's enthusiasm, and it began to spread across the 9,500-person organization. Individuals' and groups' goals were embedded in presentations and posted on doors. There was even a set of mission impossible goals for the food services team on display near the soda machine in the company cafeteria. Within a year, the company had exceeded its goal, with an increase to \$1.19 per share. In fiscal 2007, Gymboree posted \$2.15 per share; and in 2008, an incredible \$3.21 per share.

McCauley had extended concrete challenges and then shifted responsibility for finding solutions to his team. By doing so, he gave employees permission to rethink the way they were operating, at even the most basic levels. And by acknowledging the "impossible" nature of the mission, he allowed people to take risks without fear of failure.

### **Making decisions.**

Important organizational decisions are always subject to debate. The problem comes when that debate happens after the fact—in whispered conversations in hallways and cubicles, as baffled teams try to make sense of decisions that

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seem abrupt and random. Diminishers create this unproductive dynamic, because they tend to make decisions alone or with input from just a small inner circle of advisers. The result is an organization left reeling instead of executing. By contrast, multipliers engage people in rigorous, upfront discussions about the issues at hand. They give people a chance to weigh in and consider different possibilities—ultimately strengthening team members' understanding of the issue and increasing the likelihood that they'll be ready to carry out whatever actions are required.

Sue Siegel, the former president of Affymetrix, a Silicon Valley-based life-sciences firm, used the power of open debate to lead her company through a delicate product-recall decision in 2001. Customers had been reporting that the firm's GeneChip murine microarrays were rendering inaccurate DNA-typing data from 20% of the chip. Siegel was an industry veteran; she had deep knowledge of the technology issues underlying the problem with GeneChip. She probably could have diagnosed the situation herself.

Instead, she convened a forum of managers from up and down the hierarchy and framed the magnitude of the issue and its potential effect on the company, which had gone public just three years earlier. She laid out some scenarios, asked hard questions, and then opened up discussion: How will customers react? What's our legal obligation? What's the financial impact if we recall—and if we don't? Some in the group argued that customers were getting valuable data from 80% of the chip. Others felt strongly that the chips should be replaced. They debated for two days, and then Siegel asked the management team to weigh in. Taking all the feedback into account, the senior team decided to recall the product.

The recall could have destroyed such a young company; in fact, the company's market valuation did plummet two quarters in a row. But Affymetrix rebounded and regained its value, in part because the decision-making process had leveraged the deep smarts of staffers across the organization, gaining their

support and ensuring their commitment when it came time to carry out the decision.

### **Executing.**

When teams are struggling with a project or a process—particularly when it comes to high-stakes business initiatives—it can be hard for smart leaders to stay above the fray. You've got the answers; you could finish that report better and probably faster. But what message would that send?

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Diminishers have a lot invested in being heroes; after all, they consider themselves to be the smartest people in the room. By contrast, multipliers see themselves as coaches and teachers. They enable others to operate independently by letting people own their results and rewarding employees' successes. These leaders put a high premium on self-sufficiency: Once they delegate a task or decision, they don't try to take it back.

Consider how Jae Choi, a McKinsey & Company partner based in Seoul, handled a recent late-night pressure situation with his team. It was after midnight, two days before a critical presentation to one of McKinsey's top clients. The project leader, Hyunjee, was standing in front of a whiteboard, a dry-erase marker in her hand, struggling with the team to craft a compelling presentation. She gave Choi an exhausted look, as if to say "Help." Choi stood up, took the pen from Hyunjee, and shared several ideas for refocusing the presentation. His fresh thinking revived the group—and everyone seemed content to have him take over. In fact, they urged him to do so. After a few minutes, Choi wisely stopped sketching, turned back to Hyunjee, checked that she was comfortable with the new direction, and handed the marker back to her. She then led the process to a successful conclusion.

The lesson here? To build an organization that can execute flexibly and independent of you, it's absolutely critical to, well, give the marker back.

### **Becoming a Multiplier**

So how do you become a multiplier if you aren't one naturally? Some leaders get there over time, with maturity and experience. Bill Campbell, a past CEO of Intuit and adviser to Silicon Valley CEOs, is a self-proclaimed former diminisher. His moment of truth came when a close colleague confronted him about his leadership style, saying: "You're pushing everyone around and making all the decisions. We want to work for you, but we need to be able to do our jobs." After this near-mutiny, Campbell worked hard to become a multiplier; now he's a multiplier of multipliers.

### **Are You an Accidental Diminisher?**

Have you been holding your team back, despite your good intentions? Many leaders are unaware of the restrictive impact they can have on others. Some have continually been praised for their intellectual merit—and thus assume they're *supposed* to have all the answers. Others have worked for diminishers for so long they've gone native.

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Accidental diminisher or not, your effect on team members is the same: You're not tapping their full brainpower. Here are three signs you might be an accidental diminisher:

**You're a visionary.** You lay out a compelling vision of the future and evangelize to your team. You think you're being a good leader, but you haven't left enough space for employees to think through the challenges themselves.

**You've got the gift of gab.** You're passionate and articulate, and you consume a lot of space in a meeting. You think your passion is infectious; in reality, it's stifling.

**You're a creative person.** You're continually spouting ideas. You think you're sparking the creative process; in reality, you're causing organizational whiplash as people scurry to keep up with each new idea.

By tuning in to the effects your leadership style is having on others, you can adjust in ways that benefit everyone.

Like Campbell, we all fall somewhere along the spectrum of multipliers and diminishers. Here are two steps for moving in the right direction.

### **Play your chips—sparingly.**

Don't throw all your ideas and suggestions on the table at once. Dispense your thoughts in small but intense doses. By limiting your own comments, you make space for others to contribute—and your words become that much more influential. You can even do what one executive did during an important strategy session: He gave himself five poker chips, each worth a specific number of seconds of talking time. Using the chips as a guide, he planned his comments carefully, introducing each with surgical precision.

### **Ask questions.**

Stop worrying about having all the answers. Use your knowledge of the business to ask insightful questions that prompt the members of your team to stop, think, and then rethink. To jumpstart this effort, take the "extreme question challenge": Pick a meeting or conversation that you will lead solely with questions. Begin with a query to spark discussion, ask other questions to clarify the issues, and ask still others to dig deeper into promising ideas. Finally, use questions to determine next steps.

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Simply put, when you invite people's best thinking and lead like a multiplier, your team will give you more—more discretionary effort, more mental and physical energy, and more of the fresh ideas critical for long-term success.

This article is adapted from their book ***Multipliers: How the Best Leaders Make Everyone Smarter*** (Harper Business, 2010).