

U2D2: The Prescription for Leadership Blues



BY OREN HARARI

A daily does of U2D2- understanding, urgency, direction and discipline - will guarantee high-quality leadership and business success.

Despite all the books and seminars on leadership that are consumed annually, a lot of folks in management positions are simply rotten leaders.

One study concluded that the "base rate for managerial incompetence in the United States is somewhere between 60 and 75 percent." Many managers "can't motivate their staffs, change their approach when they are in error.... or forge alliances with each other." In many companies, "superior self presentation skills, not competence, drive careers." Many senior managers "are narcissistic" - they ignore criticism and devalue anyone who offers it.

Another study found that 82 per cent of employees surveyed believed that their senior managers were "both untrustworthy and incompetent." Yet another found that only about a quarter of employee respondents believed that their managers were honest or cared about them. I could go on, but you get the idea.

After a career at the helm of one of the Big Six accountancies, Russell Palmer was

moved to state: "Leadership is the prime difference between a lot of successes and failures, and we don't have enough leaders. We have a lot of managers - short-term, control-oriented, report-oriented."

No wonder we're all concerned about leadership! We're stuck. Mama, we've got the leadership blues. Fortunately, Dr. Harari (well, okay, I have a Ph.D., not an M.D.) has the antidote. To my loyal readers, I hereby offer the prescription for them blues: I call it U2D2. I speak with utter seriousness, my friends: Take U2D2 daily for the rest of your professional life and you will become a credible and successful leader.

Before ingesting any prescription, a smart consumer like you demands to know its properties. The basic elements of U2D2 are Understanding, Urgency, Direction and Discipline. Let's review each in turn:

U1 = Understanding

Leaders are often ineffective because their people are in the dark. I cannot tell you how often I have spoken to individuals - managers included - who are ignorant of the organisation's market pressures, financial scorecard and strategic priorities. That's a major reason why they're suspicious of change, or resistant to it.

Effective leaders work daily to ensure that everyone in the organisation understands why perpetual change is necessary. They share the dangers and opportunities that confront the company, the steps that must be taken and why, and what sorts of contributions and behaviours are required from every one. They use all communication channels - newsletters, e-mail, bulletins, public forums, small group discussions, one-on-ones - to disseminate news and information about new competitors, new technologies, and new partnership opportunities. They share the numbers: sales, margins, cycle times, investor reactions, customer service data, customer

defections and quality data. They talk about trends in costs, earnings, returns and market share. They talk about possible options and responses, both strategic and tactical. They invite response and feedback. They demand that written and electronic sources of direct communication be accessible to everyone.

By their own behaviour, effective leaders personally demonstrate their commitment to keeping people "in the know." It might be Bill Gates, diligently responding to scores of personal e mail messages daily, or Allied Signal's Lawrence Bossidy honestly grappling with tough questions tossed his way in a no-holds-barred session with a group of workers on a factory floor.

It might be Springfield Re-manufacturing's Jack Stack regularly going over a multi-page financial statement with groups of blue-collar employees, or Atlantic City Medical Centre's George Lynn holding freewheeling public "speakeasies." It might be Nellcor's Ray Larkin and Southwest Air's Herb Kelleher roaming their company sites in order to be accessible to everyone.

The idea behind these steps is simple. Information is power. You can't "empower" people to be account able, creative and proactive unless they are "in the know." You can't generate teamwork and trust if information is hoarded. You won't generate ownership or commitment to any intervention if people don't "get" what you're trying to do, or why.

That's why Understanding is the first component of U2D2. When executives tell me that their most pressing concern is to get peoples to "buy in" to certain interventions, I suspect that the executives are the only ones who really, truly understand why the interventions are critical.

U2 = Urgency

Effective leaders are repulsed by complacency. When they hear sentiments like "If it ain't broke, don't fix it," they become alarmed. Effective leaders realise that today's numbers (earnings, market share, etc.) are simply a reflection of what the organisation did yesterday. If the numbers are good today, the organisation made the right moves yesterday. But since only the naive believe that tomorrow will look like to day, only the doubly naive believe that perpetuating yesterday's moves will lead to tomorrow's successes.

Accordingly, injecting a sense of urgency into the organisation becomes a top priority for real leaders. Their on going preoccupation is shaking people out of their comfort zone. I read an article, which said that if you live in South Central Los Angeles and you aren't paranoid, you're crazy. Effective leaders demonstrate a healthy sense of paranoia for the same reason. They couple it with liberal doses of excitement in the face of new business possibilities, based on the "data" of the Understanding phase. They cap it all off with an unbridled passion for excellence in quality, service, innovation and teamwork. They realise that management is an emotional process, and that the information in the Understanding phase must be augmented with a passion to continuously improve and to lead the market in some arena.

One would think that if the organisation's numbers were bad, the leader's task vis-à-vis Urgency would be easier. Sometimes that's the case, but often, when companies finally do take action In the face of bad numbers, it's a panic reaction, not urgency. Panic is characterised by knee-jerk, cover one's-rear behaviour that temporarily douses some immediate fires without moving the organisation toward genuine transformation. It usually follows a long period of complacency. It's mostly sizzle, no steak.

Astonishingly, even bad numbers often fail to move people to action. People's capacity to cling to behaviours that no longer work is extraordinary. Denial, sham action ("let's get another consultant's report") and just plain fear of moving beyond a comfort zone all collude to preclude genuine change. Nellcor CEO Ray Larkin once shared an important insight while in the midst of a frustrating period in which he was attempting to stimulate change in the face of rising costs and product development problems: "One of the hardest things I learned was that the facts don't speak for themselves. People are capable of rationalising the most damning facts. Data can't replace leadership." That's why Urgency must go hand in hand with Understanding.

Whether today's numbers are good or bad, effective managers fuel the fire. They continually challenge the process. As Warren Bennis notes, they create outright disequilibrium. They take on the perspective of one middle manager change agent at AT&T who told me: "Yes, there is risk in doing what we are doing, but I always remind my team that there is greater risk in not doing it." And in moving the team, these leaders are patient with those who struggle to change, while they are un-apologetically impatient with career sceptics.

Allied-Signal CEO Lawrence Bossidy put it well: "The leader's job is to help everyone see that the platform is burning, whether the flames are apparent or not."

D1 = Direction

Direction tells us who we are and where we're going. In ambiguous, unstable times, people need a sense of coherence in their work lives. Effective leaders place great emphasis in ensuring that people in their organisations feel, own and live an overarching vision, a common philosophy, an inspiring purpose, and a collective set of values and ideals.

Understanding and Urgency rev up people with reasons and fuel for change. Direction gives them the path and the vehicle to channel their creative energies. Direction is not simply a mission statement or a soundbite "vision." It is a perpetually evolving set of answers to questions like, What is our business? Where do we want it to go? What do we stand for?

Who do we serve? What makes us unique? What markets and products will we be pre-eminent in? What are our inviolable values? What sorts of behaviours and attitudes will it take for us to get from A to Z?

When CEO George Lynn launched PACE (Patients Are the Centre of Everything) at Atlantic City Medical Centre in 1987, he was careful to avoid any semblance of soundbite or faddism. Daily problem-solving dialogues became de rigueur among managers and employees: What does it mean for us to say that patients are the centre of everything? How do we ensure that patients are the centre of everything? In order to realise our ideal, what changes do we need to make in our organisation structure to achieve our priority? Our budgeting? Our leadership styles? Our physical architecture? Our relationships with physicians, and each other? Gradually, a picture of a hospital literally driven by patients emerged.

Direction provides people with an alternative to dissatisfaction with the present, as well as an alternative to passivity and despair. Just as important, direction unifies and bonds people, providing them with the "big tent" of community heading down the same road. When Direction is shared, conflict yields healthy problem analysis, and diversity of opinion leads to innovative decision making. The reason is that everyone knows that disagreements are fuelled by a common purpose. That is why the spirited debates within Atlantic City Medical Centre were a sign of a healthy organisation. But when Direction is not shared, conflict breeds

turfism and blame-analysis, and diversity leads to divisiveness.

Organisations become fragmented. Confusion reigns: What are our priorities anyway? What are acceptable behaviours; what's okay to do? What are we really emphasising around here? People become cynical, passive and unfocused. Self-protective powerplays and fiefdoms emerge.

Direction must rest on the foundation of Understanding. A Direction that does not reflect market realities still leads everyone on the same path, but the path leads off a cliff. For years, IBM's Direction - built on premises of mainframes, centralised corporate information systems, employment guarantees, and starched white shirts - carried the day. But as market realities shifted, the Direction became a liability. It needed to be renewed. In contrast, the Direction pioneered by George Lynn for Atlantic City Medical Centre rested on an Understanding of the changing world of hospital administration, and the Urgency that organisational transformations were necessary right away.

D2= Discipline

Discipline is not about punishment or kinky sex. It's about consistency in execution. It's about the leader's daily behaviour and decisions being aligned with the Direction. It's about walking the talk. It's about rejecting lip service, pseudo-support and expediency. In short, it's about honour and integrity.

Discipline is the daily grind that makes things happen and lets people know you're worthy of your word. Like a broken record, George Lynn talked about PACE every day, in every meeting. He roamed both hospitals in the system, visiting housekeeping and nursing groups at 2 a.m. to talk about PACE and the importance of linking everyday behaviours to it. He reviewed business decisions in reports and meetings in terms

of their "fit" with PACE. He insisted that his managers analyse operational problems, personnel decisions and vendor relationships in terms of PACE. He told them that he wanted them to have the same emotional reaction to PACE that they have toward budget variances. He "stacked the deck" by helping create "small wins" (new project successes), by picking people who were visibly committed to PACE. He invested heavily in service quality training, and enlisted the help of 3M as a mentor. He blessed self managed teams that were willing to try new initiatives consistent with PACE, and promised that he would personally protect anyone from retaliation by any manager who was threatened by the process. And he delivered. For Lynn, the fact that patient satisfaction scores, physician referrals, and operating margins improved steadily over the next two years reinforced the validity of the PACE Direction, and added fuel for yet more Urgency and more Discipline. Today, PACE is so ingrained in hospital strategy and operations that in the most recent Joint Commission accreditation site visit, one of the commission members (who was not aware of PACE), concluded: "After five days here, it is clear that the patient is the centre of everything this hospital does."

In his Discipline, Lynn was persistent but prudent; that is, he was not a dogmatic bull in a china shop, running roughshod over people. There were times when he tactically stepped back, gave some leeway, held off. But as a result of everything else he did, it was clear to everyone that he never lost sight of his goal.

Study inspiring leaders like Mahatma Gandhi and Nelson Mandela and you will note times where they seemed to back off or compromise on specific decisions, thus incurring the wrath of their more extreme colleagues. But for Gandhi and Mandela, such actions were temporary and necessary blips on a long road; there was never the

slightest doubt of their commitment to their ultimate cause. Great business leaders are the same. When managers without Direction and Discipline compromise, they are rightly seen as opportunistic or weak. When leaders with those factors compromise, they are rightly seen as prudent and tactical.

Of the two Ds, Direction is the critical foundation, but it's only 20 percent of the battle. Daily Discipline is the 80 percent sweat equity, the day in-day-out stuff that separates real leaders from the sham ones.

Well, there you have it, my friends. I promised you the cure for the leadership blues. Listen to the good doctor: Take U2D2 several times a day, every day, until you retire - and you will retire a successful, honourable and, yes, healthy leader.

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