

## **Leadership Quantified**

**A. Leadership as a bumper sticker. We throw around the term “leadership” as though we actually know what it means. It is more like a bumper sticker which is used both endlessly and meaninglessly. In the movie “Moulin Rouge” there is a song that has the line “all you really need is love.” In business, all you need is “leadership”.**

- a. “Leadership” is often glorified but seldom quantified.**
- b. It is claimed but leaders but not practiced.**
- c. It is described with adjectives such as “charismatic”, “creative”, “trustworthy”, “strong”, “fair” and the like, but those are also non-quantitative terms. Hitler was all of those except “fair”; Madoff all of them except “trustworthy”; Coach Tom Landry of the fabled Cowboys all of them except “charismatic”.**

**B. I think we cannot find the secret to sustainable success, led by sustainable leadership, through buzz words. And there is probably not a set of buzz which apply to all sustainable leaders. There are still “command and control” leaders who have been around a long time; there are leaders who practice “principled management”, Total Quality Management, Empowerment and still bite the dust. By “sustainable success” I refer to companies which have stayed around a long time and/or are likely to stay around for a “long haul”, through good and bad times, through changes in personnel and leaders themselves, changes in how things are done (technology is changing at warp speed). Some**

companies have had disastrous cost overruns on projects, gone through numerous recessions, and they are still around.

- C. This article is aimed at understanding the more quantifiable and measureable qualities of the “sustainable leader and the sustainable company.” Although literature has been researched and evaluated, and countless companies have been witnessed performing “their thing” at every level first hand over lengthy periods of time, the first and foremost observation is: **“take what is said here with a grain of salt. Generalizations are the stuff of fools.”** There are no precise “one size fits all” on the shelf, there are no panaceas or elixirs for sustainable success. That is a generalization you can take to the bank! Each company has its own DNA, its own fingerprint. Each is like the proverbial snowflake, being different in some unique way from all others. Even where there are common concepts, the implementation of those concepts is not common. Even when the principles are basically the same, how those principles are executed are not the same. And successive generations of management are not cloned, not look alike, nor robotic. And that too is a generalization one can take to the bank. Therefore, the following will be a set of characteristics of the sustainable leaders and companies we have observed and about whom we have read. “Characteristic” is a term with shades of grey. A characteristic of Thoroughbred horses is that they are bred to race, to have high energy. Yet all do not win the Triple Crown, some are faster than others, some more manageable than others. And some races are won by the tortoise while the rabbit is lounging on the side of the road having a cool one. And so it is with the characteristics which are discussed below. The following are simply observations of the great leaders I have

observed, and to some extent, read about, over a half a century, companies which unfailingly provided to the customer what was expected and often more, and who were committed to the wellbeing of internal customers as well.

*D. A characteristic of leadership which wins race after race, generation after generation is **COMMITMENT**. I like the definition of commitment which is “the state of being **dedicated to a cause**; it is what consistently transforms a dream or a desire into a reality. **Commitment then is a verb, an active verb**. It may be inspired, it may begin with emotion, **but it is activity driven**. Someone said that “commitment means staying loyal to what you said you were going to do long after the mood you said it in has left you.” (www.laurieford.com)*

*a. **Commitment** then is not a dream, or a wish or a hope or a secondary goal in life. **Commitment is the performance of that chain of events from the vision of the “could be” future to the reality of that future coming into existence**. That future can be anything: a new product or a construction project brought to fruition or a marriage that endures through better and worse. Bill Gates made a commitment to make information available to everyone in the world in a nano second by the push of a button (See his book “Management at the Speed of Thought”); Henry Ford committed to mass produce a car affordable by the masses; Locke and Jefferson committed to ideas of freedom and equality. Rosa Parks was tired of black people being a second class citizen and sitting on the back of a bus; Gloria Steinem was tired of women being second class citizens and sitting on the sidelines of the human race. Each had a picture of the future but that vision was not*

enough. **Each wanted to attain that future, but just wanting to get there was not enough. Each had to know what steps to take, and then take them.** And in each case, there were risks, it took courage. Commitment was the calculus of having a vision of the future, knowing the steps it takes to get there, taking those steps in spite of the risk or sometimes public derision in doing so . . .and getting there. A lot of people wanted to build a cheap car but it took Henry Ford to do it; Gloria Steinem was not the first lady tired of being held back because of her sex. But she broke through the line. When Jefferson came up with the Declaration of Independence he faced execution by the British for treason. We now have the Great Experiment, a government of the people, by the people and for the people. Jefferson's "future" has been around 240 years now. The dream had to be laid out, fought for.

*b. Commitment* has a split personality. It is to **a future goal**. A successful project, or a new approach or even something as mundane as year end goals. But it must also be simultaneously to the **present**. What steps must be taken NOW to properly organize, to bring resources to the plan and to effectively utilize those resources to attain the goal. Actually, there are always a series of interim goals leading to the ultimate brass ring. What are those interim milestones and what are the steps to hit them. So, commitment is broken down into the series of steps of organization, finance, personnel and personnel development, marketing, quality performance. When John Kennedy espoused our goal of putting a man on the moon, that speech and a nickel would have gotten America a

collective five cent cigar if he had stopped with the speech. It was followed up with a million actions, millions of parts and activities, hundreds of thousands of people who knew what to do and did it. **The future was comprised of thousands of NOWS.** As someone said, the devil is in the detail. The future is in the present. When I think about that remarkable time in America, when the Russians had beat us into space, when we were number two chasing the Soviets, I am reminded of Rocky Balboa who said: **“Every champion was once a contender.”**

- c. *Commitment's energy is intentionality.* **Great leaders intend to succeed;** they intend to get to the moon; they intend to put together a team of people, processes and actions which will get them there. They intend to change as necessary, to admit mistakes and improve so that those mistakes are not repeated. The Wright Brothers intended to fly and airplane. They crashed attempt after attempt. Each time they went out to give it another try, they brought bailing wire, plywood, nails and other material to Kitty Hawk because they knew that modifications and creativity would be necessary, mistakes would occur and learning from experience would be essential to get that pile of plywood in the air. *Thomas Edison* tried a 1000 different ways to get that light bulb to illuminate and instead of a 999 mistakes, he said each was a building block to success. So the intentionality is to a goal, the commitment is not to rigidity in the process of getting to the goal, but to pushing the envelop of creativity, of performance and execution. Their intention was the end game. The commitment was not to the airplane or a T-

Model Ford. The commitment was to fly, to have the masses be able to drive about cheaply. And so they realized their vehicles were means to an end. Communication is the end game and not the smart phone; thus there were be ever changing instruments which will continue to facilitate the ability to communicate.

*d. Commitment is unshakable.* The leaders of sustainable companies **have this unshakable commitment to the vision and to the process of achieving** the vision. And one of the key reasons that a company may last for the ages is that its product(s), and/or service(s) *have value*. It is difficult to sustain energy behind a commodity or service which is a flash in the pan, of marginal quality or which does not bring value to the customer. So when the service or product has real value, when it makes like a bit better, when it is truly needed, it intrinsically has a characteristic of sustainability. Now, if the leadership of the company really believes in its product or service, and has reason to so believe, then it is much easier to really be impassioned about it, and to be continually committed to market it, and to keep the employees motivated about doing so. *Unshakable commitment is a derivative of what you have to offer.* Some of the construction companies which have been around more than 100 years know what they have to offer: it is not a building. It is a place where sick people can be cared for; or where people can be entertained, or educated. Or where something can be manufactured. Bill Gates and Steve Jobs knew they weren't making computers or "apps" but communication and solutions so that the masses could engage in commerce on something of a level

playing field the world over. St. Jude Hospital isn't selling chemotherapy but well being and hope. Those are the end games and the presidents of these companies are passionate about them. Most everyone would like to make a difference, to help others. When your company is in the business of doing that, and is committed to doing that, the odds of it staying around for a few generations is greatly enhanced. That is because the commitment is not to staying around for a few decades, but the commitment is to continue to make the world a little better place and to stay on top of your game to be able to do so.

- e. *The Leader is an Evangelist.* And because of an unshakable commitment to an end game which will bring value to others, and because the leader develops an organization which can continually do that, the leader is invariably an evangelist. The leader has an unshakable commitment because he so believes in the need for the service or product, and so believes his organization can deliver that service or product better than anyone else, he becomes **an evangelist for his company and what it offers. He sells both to his inside and outside customers because he believes so much in what the company is doing.** He wants his employees to be equally "gung ho" and to be passionate about what they are doing. I remember giving a speech to about 300 employees of a power company. The company was doing well but the employees had become rather lackadaisical and all efforts to motivate them had failed. After I was introduced, I simply walked over to the wall and turned off a switch and the auditorium went dark. Then after a few seconds, I flipped the switch back on. I

did it again a few times. Then I said: "There are about 2.5 billion people in the world who cannot do this. They cannot flip on a switch and get power or light up a room. They cannot flip on a switch which causes filthy water to be treated to prevent the deaths of thousands a year from cholera, of typhoid or dysentery. This separates us from those lesser developed nations. This is what you do for a living. You don't build power plants and operate them and send out bills for a living. You enable a quality of life that has only existed less than a 100 years and for less than half the globe. I think it is a pretty noble calling, don't you?" And then I walked out of the room and went home. That's all it took for people to be reminded again of the value of their service to their community. I often take construction crews back through wards of hospital they have helped build, let them look through the windows at the new born babies, or sit outside the ER as stretchers are rolled in. We forget what we do for a living sometime. We forget our contributions to others. The leader of the sustainable company knows what his company does, knows its contributions to the community, and is . . .well, is gung ho about it. He is an evangelist. He commits to being an evangelist, to showing recognition to his employees for their contributions and at the same time, understanding the changing needs of the customers so that he continues to organize to meet or exceed those needs. *But the evangelist doesn't just give motivational speeches from the pulpit but the real evangelist is continuing to make things happen so that what he is preaching comes true. Leadership is always a combination of a picture of the*



*future and action to make that future happen. Evangelistic leaders always have that vision of the future, also editing it a bit to be with or ahead of the times, and at the same time doing what is necessary to make that picture a reality. In the process, the evangelistic leader is selling to his own employees the reason for what they are doing, the importance of doing it well, and at the same time selling to potential customers the need for the service or product and why his company is the best to provide it.*

*f. Commitment to survival. **The economy is bipolar.** It has always gone up and it has always gone down. There are always challenges from competitors which may drive down sales and/or profits. The essence of sustainability is having the financial health to cope with a financially unhealthy depressive period. When times are good, when they are “manic”, the sustainable company does not go overboard with expenditures. It takes advantage of the good times by hopefully increasing revenue and profit and at the same time, improving its liquidity. It attempts to maintain a reasonably lean overhead and a debt ratio which is consistent with the industry you are in. It should maintain a current ratio in the 1.5 to 1 range. *As the economy may be the major risk for many companies, it commits to managing that risk through financial prudence.* The sustainable company leader also recognizes that market conditions, technology, demographics, products and competition changes and that these changes can impose great risk. So these companies commit to strategic planning to keep an eye out for the future, and to be prepared for it. The sustainable company also recognizes that one of*

its risk is present success. That it, is becomes lethargic because it is doing well and seems to believe that it will always be successful, so the leadership looks inward with some regularity to assure that it is not becoming soft, that it is staying competitive, that it is continuing to improve, *and that it has edges over its competition.*

*g. Commitment to Outside Customers.* A company may have a mission statement wherein it states that it will always be the preferential provider of the service or product to the customer. **The company which stays around knows that this commitment to the customer is an inside challenge: if this company is to live up to this statement, it must constantly be improving its infrastructure, its processes and its personnel to be doing that.** So the commitment to the outside customer is a commitment to itself to stay on top of its game.

*h. Commitment to Value Systems.* During a webinar I gave, I stressed the importance of a value system that was not just in the mission statement but truly in the culture of the company. Values like reliability, taking care of internal customers, being fair, knowing the right thing to do-making sure that everyone else does as well – and then doing the right thing right. Accountability. Not words, not bumper stickers, but living these values in all that you do. I was surprised to receive a telephone call afterwards from an employee of a construction company out west. He said that “value systems” is the dynamics of their company. **Value systems to his company begin with criteria for hiring new personnel, and their indoctrination and training. That value system is the basis of programs for continual**

**improvement (both personnel and processes) to assure their customers always get the very best service possible.**

And so on. He actually gave me about a fifteen minute lecture on the role of commitment to value systems. At the end, I asked how long the company had been in business. He said: "Well, I think it started in 1877 and here it is 2015. How long is that now?" Value systems: greed, companies doing more work than they have the capability of performing, overcharging change orders, performing less quality than specified. Are those the characteristics of sustainability?

***i. The Reliable Promise: the commitment to do what you said you were going to do!***

- i. Commitment to Innovativity.*** The Empire State Building was constructed in a remarkable twelve months. Today China is building 30 story hotels in six weeks. And so it goes. The history of the world is the history of abandoning one way of doing something and substituting therefor a better way. **The edge between one company and its competitor may very well be the degree and success of that company's innovativity.** Uber improved how urbanites can get around town; they still used automobiles driven by third parties, but the system by which that process occurred was dramatically different from how Yellow Cab does it. With improvement goes abandonment of the old, but the commitment to train employees on the new ways, the new processes, the new technology. **So, innovativity (the new) must blend with an old practice – training and coaching our employees.**

*j. Commitment to **staying abreast** of the times.* Not only technology by demographics. We have always had a communication gap but now it is almost the construction national anthem to sing that young people just don't work hard and are not responsible. Well, young people are into technology, fair and respectful treatment and often our industry does not offer these ingredients. So maybe we need to learn something from the young.