

FIVE ATTRIBUTES OF GREAT LEADERS





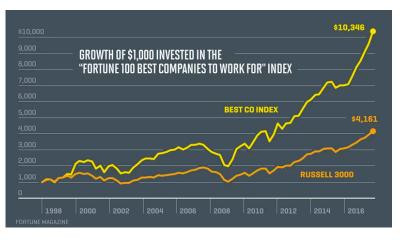
The Five Attributes of Great Leaders:
How the Best Leaders Achieve the Best Results.

Hal Adler, Founder, Leadership Landing™

In my years as President of the Great Place to Work® Institute, and now <u>Leadership Landing</u>, it has been my job to conduct and oversee research into what makes the nation's top workplaces thrive. That has meant studying these workplaces closely to come up with deep understanding of what helps make people passionate about the places they work.

The reality is that creating a workplace of choice is no accident. These workplaces are the result of concerted effort—a conscious plan set out by an employer—to build a great workplace. People who enjoy coming to work are more productive, stay at jobs longer, are healthier and are generally more willing to go the extra mile. Besides making the workplace more pleasant, the numbers show that leaders who care about employees can add a tremendous amount to

the bottom line in saved healthcare costs, employee training, and retention costs. Perhaps not surprisingly, the companies represented in the FORTUNE 100 Best Places to Work tend to outperform not only their peers but they have also been shown to significantly outperform the S&P 500 even in its best years.



When I founded <u>Leadership Landing</u> in 2008, I set out with the goal of determining the underlying principles that informed the leadership in great places to work, in order to help others emulate their success. I have organized the principles that inform great leadership into 5 attributes: self-awareness, bravery, kindness, innovation and inspiration. Here below you will find numerous examples collected from my understanding of top-performing companies, which exemplify these principles. I have come to believe that these five attributes are characteristics which, when taken together and thoughtfully implemented, have the ability to effect powerful change.





Self-Awareness

"Be the change you want to see in the world" —Gandhi

Self-awareness is the cornerstone of great leadership. A leader that exhibits self-awareness displays a clear sense of identity, a sense of purpose, and a distinct, consistent, positive way of interacting with others. Without self-awareness, the other characteristics, while valuable, are ultimately stripped of their power. For instance, bravery without self-awareness can be reckless—even dangerous. Innovation without self-awareness often seems more chaotic than cutting-edge. Self-awareness allows one to be directed. By thoughtfully attempting to understand the outcome you wish to produce, you can more effectively utilize qualities such as bravery or kindness in a focused way to maximize their impact.

More often than not, leaders who exhibit a keen self-awareness increase performance and employee engagement as they create a positive working environment. Self-aware leaders understand their own deepest intentions, and they allow these good intentions to motivate them, and translate into the way they behave with others.

"Your true north cannot be redirected by external pressures. Once you start trying to satisfy one shareholder, you'll have to deal with another shareholder with a different point of view. Same with board members and all your other constituencies. If you allow yourself to be pulled off course, you're going to destroy your enterprise.."

—Bill George

—Bill George,
CEO, Medtronic &
Professor of Management Practice, Harvard Business School

As Bill George, professor of Management Practice at Harvard Business School and CEO of Medronic, knows - meditation is a fantastic way to increase self-awareness. For years, George has been an outspoken proponent of integrating mind/body awareness pursuits and work. While this may seem too esoteric to some, George speaks openly about how meditation provides him with energy, creativity, clarity, and calm. Medtronic is the world's leading medical technology company which has grown from a \$1 billion company to a \$60 billion company under George's leadership. And he's not alone in his belief that meditation is a valuable skill.

















Industry leaders including Google, Apple, Yahoo, Aztra Zeneca, IBM, 3Com, Texas Instruments, Raytheon and Nokia have all provided meditation training to their employees.

As Bill George and others know, the ability to be self-aware allows one to not only have a greater sense of perspective about themselves but also a wider view of the role they play within their business. By acting with a clear sense of intention and purpose, leaders can more effectively communicate with and inspire others.

Developing mindful self-awareness requires one to consistently be aware of their feelings and experiences in different situations and with different people in a personally probing and open way.

How to begin? It's as simple as taking a deep breath. One of the key aspects of self-awareness is the ability to take a moment to gain perspective and focus on what is happening right now. Often, the simple task of focusing on your breath allows you to slow down enough to become aware of what's actually happening now, allowing earlier frustrations to melt away, and bringing in enough space to be open to more possibilities. It is only from cultivating this understand that wise decisions can be reached.

One of the keys to maintaining self-awareness is to be aware of others. When interacting with others, consider their total experience. Consider their role, how they experience you as an employee, supervisor or leader. By taking these things into consideration and gaining a greater understanding of others' point-of-view, leaders can speak in ways others find most meaningful. Where one finds meaning and understanding, action follows.

When leaders communicate the rationale behind decisions, they convey a sense of trust to employees and create a shared vision that is visible in the bottom line.

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Bravery

I define bravery as the willingness to take risks based on data and personal beliefs for the betterment of an organization and/or the people in it. Leaders who create an environment in which people feel comfortable taking reasoned risk often reap great rewards. Bravery means

having the courage to face the possibility of failure, but it can also mean having the strength to be a trailblazer. As a result, one of the most effective ways to encourage bravery in leaders is to create a greater sense of security by creating a culture in which people feel comfortable engaging in calculated risk.

Goldcorp is one of the world's largest publicly held gold mining companies. After investing in a mine that nobody else seemed to want in the Red Lake District of Ontario, Goldcorp saw little return. The 55,000-acre site was known to be rich in deposits, but after a year of having their best and brightest analyze the data Goldcorp still simply did not know where to dig.

It was around this same time that Goldcorp Chairman and CEO Rod McEwen attended a conference highlighting the then-new Linux operating system, which employed an open-source model. Open-source fascinated McEwen. Linux was ownerless. Anyone could tinker with its code, to innovate and make it better. And that's when McEwen made a very brave call: open source mining. The stated goal was to help the company find its next six million ounces of gold.

Industry-watchers, and many at Goldcorp, worried that someone would use its research and trade secrets to open an adjoining site or otherwise capitalize on Goldcorp's disclosures, but McEwen remained steadfast. Goldcorp posted 50 years of site maps on the Internet along their most current thinking regarding the site and asked the public the questions for which Goldcorp most needed answers: Where and how much should they dig? He offered a \$500,000 bounty for winning drilling plans. The response was overwhelming. 1400 qualified participants from 51 countries contributed 140 sets of plans and furnished Goldcorp with a wealth of ideas that they continue to utilize to this day.

By having the courage of their convictions, leaders like McEwen exhibit bravery. They are willing to take measured risk based on data and their personal beliefs—to push the envelope and not only say "what if" but also "go for it."





Kindness

Perhaps one of the most crucial components of leadership is kindness. Often, kindness arises from compassion - the wish for another's pain to be understood and resolved. A kind leader is a compassionate leader. The Golden Rule—do unto others as you would have them do unto

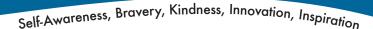
you—seems straightforward enough, but it is a complex social interaction. It is surprising how often people don't think about how others would like to be treated in a given situation. Kindness requires having an awareness of one's own needs and wishes as well as those of others. The greater good often requires putting the needs of others first and leaders that exemplify kindness are experts at understanding this.

A prime example of this form of kindness comes from clothing retailer Men's Warehouse. Founder and CEO George Zimmer, himself a recovering alcoholic, believes everyone deserves a second chance. Zimmer's belief in giving second chances is clear in their hiring policies—employees at Men's Warehouse are never asked to submit to a background check and they may be offered a second chance even if they are caught stealing from the company.

Performing an act of kindness—demonstrating that one is actively looking out for the well-being of others—tends to engender the desire to reciprocate that act of kindness from others. Simply giving someone the benefit of the doubt builds trust. The result? A shared sense of trust and mutual purpose.

Kindness begins at the top and often sets the tone for the rest of the organization. As leaders perform acts of kindness and create an environment in which others feel comfortable looking out for one another, they inevitably take on a larger sense of commitment, security, and shared purpose.

MEN'S WEARHOUSE®





Innovation

Although innovation can arrive from inspiration, more often it is the result of raw determination—the belief that there has got to be a better way and the courage to

pursue that goal. A leader that exhibits a creative, daring, and productive approach to solving organizational challenges can sometimes be mystifying to others, however. The push to innovate requires bravery in that it means doing

"Ideas are the most important thing and everybody's ideas are equal"

—Al West, CEO of SEI

something that challenges the status quo. Leaders must take that leap of faith and allow others the ability to take risks and engage in creative enterprises. By tapping into the innovative streak in others, leaders allow their people to feel a sense of ownership over their work, and a sense of accomplishment that arises from owning a process.

"Very few people can be brilliant, and they're over-valued. It's much more exciting to be a pioneer—be a bit wacko and you shake people up. We all need shaking up."

—James Dyson, Founder and CEO, Dyson

James Dyson is an archetypal innovator. As we now know, he resolved to make a better vacuum. What we don't know was that it was only after 5 years and over 5000 prototypes that James Dyson felt that he was finally ready to go to market with his state-of-the-art vacuum. His commitment to challenging the status quo—by doing nothing more radical than thoughtfully designing and redesigning everyday things—has led Dyson to sales of more than \$6 billion.

Giving teams freedom to innovate may seem like an organizational nightmare that could lead to chaos. It does shake up the status quo! Innovation means risk, and the possibility for failure. But by creating secure environments based on mutual respect and trust, leaders can mitigate the risk by appealing to an overall sense of responsibility while still encouraging creative thinking.

There is no shortage of people who "would have, could have, should have." Innovative leaders take the leap of faith!





Inspiration

When at their very best, leaders are inspirational. A leader that exhibits excitement and enthusiasm for a shared vision unites and aligns people in a way that creates success.

Inspiration begins with that larger vision. An assembly line worker who believes he is contributing to the goal of making the world's best cars approaches work much differently than one who does nothing but ruminate on the drudgery of stamping out the same part, day after day. Leaders who inspire others have a fundamental appreciation of that difference. Leaders must show a genuine appreciation for the challenges each employee faces and undertake the responsibility of making them feel valued by showing them how their efforts are critical to greater success of the company.

Ask an employee at Southwest Airlines what business they're in and chances are they'll say they're in the freedom business and their sole purpose is to democratize the skies. Think about it: no first or business class, no frills, no super V.I.P.s—just regular passengers ready for a pleasant, maybe even fun, flight. Their motto, "You are now free to move about the country" is perfectly aligned with Southwest's message to its 30,000 employees: "You are now free to learn and grow."

But they don't stop there. Southwest employees enjoy seven additional freedoms including the "freedom to pursue good health" and the "freedom to make a positive difference." Southwest hopes to inspire their employees to be more than just workers—they want them to be freedom fighters and understand that they are valued.

By allowing others to feel that they are part of a larger purpose and organizing leadership around a shared vision, leaders can inspire individuals and entire companies. Inspiration can transform day-to-day activities from obstacles into challenges, monotony into building foundations for future success. The broader challenge of inspiring others is to understand what is important to employees and how that larger sense of purpose can align with the work they do every day. And it is for this reason that being truly inspiring can be so incredibly challenging. Nothing rings more hollow than a corporate tag line or motto that is manifestly untrue, disingenuous, hypocritical or glib.



Success and the Five Attributes—Proof is in the Pudding

By integrating the 5 Attributes, the self-aware leader can gain a greater understanding of the shared values of the organization, apply kindness, bravery, and innovation, and develop the ability to inspire others.

The hard reality is that unless leaders employing the Five Attributes of Great Leaders can generate successful outcomes, little else matters. Each of the examples listed above is an example of a company and/or leader that has turned the Five Attributes into real success with tangible results. Remember **Men's Wearhouse** and their policies regarding background checks and second chances in cases of employee theft? Men's Warehouse reports a .4% loss from theft as compared to the industry standard 1.5%. Or what about the **Intel**'s policy requiring that all accidents be reported to the CEO? Intel's accident rate is .4% per 100 employees versus the industry-wide average of 6.6%. These are but two of the great many examples I found in my research.

Can these principles be taught? Absolutely.

Such learning occurred when **American Express** agreed to allow three of its VPs and thirteen financial advisors to undertake a yearlong course focusing on training in emotional competence, stress management and forgiveness with the Stanford University Disease Prevention Department.

The result? Sales within the team grew 18% as opposed to 11% among employees that did not undergo the training. Stress levels among the group fell 25% and the measure of positive feelings increased by 20%.

Another example: **Methodist Hospital** in Houston recognized that they had strayed from their core values. They engaged in a transformation program promoted by a company called Cultural Transformational Tools that taught classes based on what it termed the Seven Levels of Leadership Consciousness.

The result?: Methodist Hospital went on to be named to the Fortune 100 Best Companies and U.S. News and World Report's Top 100 U.S. Hospitals. Employee turnover tumbled from 24% to 15% and vacancy rates dropped from 6.7% to 3.1%.



The Five Attributes of Great Leaders

Companies and leaders that pay attention to the needs of their workers are repaid for every effort they make. By promoting self-awareness and mindfulness in one's daily life, leaders can create work environments that are challenging, enjoyable and rewarding—both personally and for the bottom line.

Studies have shown that 75% of a leader's success is not about what they know but about how they behave and communicate. Studies of hiring managers show that 85% of jobs granted are a result of the candidate's attitude during the interview process—not tactical skills or experience. Companies spend a great deal of time training to improve skill sets, but the difference between good and great leaders is often not about skill sets or the quality of management toolkits and training within their reach, but rather their ability to be aware enough to connect with others in honest, truthful, and respectful ways.

As hundreds of top leaders and major corporations from all nations and sectors have shown, incorporating the language of vision and values into daily life and developing the attributes of self-awareness, bravery, kindness, innovation and inspiration within an organization, result in powerful transformation, more fulfilled workers and increased bottom-line success.

Get in touch!

Leadership is hard! And there are always opportunities to improve. Would you like to learn more about how you can implement the five attributes of great leaders in your workplace? Leadership Landing can help.

Yours on the journey, Hal Adler CEO



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