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Temptation, Obsession and Turf

by Steven J. Gaspar

Editor's Note: This article is the second of a two-part series. The first was printed in the January 2006 issue of The Stepping Stone.

A Parable

As a technician, Jared Wilds had few peers. His work ethic and intellectual horsepower were unmatched. He personally produced volumes of actuarial analysis with an unrivaled depth of understanding. When the deadlines were unreasonable, Jared simply turned up the volume—all-nighters, all-weekenders—no obstacle stayed in his way for long. Shortly after becoming a Fellow of the Society of Actuaries, Jared landed his first significant leadership position.

As a director at ABC Insurance, Jared would lead a team of 13, including three managers. Jared approached his new assignment with zeal. What his team could not accomplish he did himself. Often working late, Jared handled every assignment thrown to his department. These successes brought more such opportunities that quickly piled up beyond his team's capabilities. Instead of adapting his approach, Jared simply worked harder. It seemed like a good idea at the time . . .

The transition from personal producer to manager/leader is a shift that can be difficult for many professionals, including actuaries. Appreciating and understanding the fundamental differences between the two roles is critical to success. Not understanding the differences can lead to failure, which can be frustrating to those who have enjoyed past successes, e.g., actuaries who quickly pass exams.

Leadership skills can be learned—usually by a combination of awareness, education and practice. Education can occur in the form of a class, work experience or mentoring. Books are also an important resource. In the previous issue of *The Stepping Stone*, I reviewed two books by Patrick Lencioni, a lecturer and the author of several best selling books on management and leadership. In this article I review two more of his texts and provide an early look at his latest publication, which arrived in bookstores only recently.

As mentioned in my prior article, Lencioni writes using a parable format. The parable features a business drama caused by a lack of leadership, which is usually resolved by the main character. The final section of each book provides a summary that outlines the reasons behind Lencioni's theory for that leadership principle.

Temptation

In "The Five Temptations of a CEO" we meet Andrew O'Brien, a Chief Executive Officer who is facing a difficult board meeting the next morning. Andrew works late that night lamenting over the meeting because he knows he has not done well in his first year as CEO. On his train ride home Andrew meets an unlikely mentor, Charlie the railroad employee. Charlie coaches Andrew on the five temptations of a CEO—the five areas of potential weakness for any leader, particularly for a CEO.

Each temptation entices a CEO to choose something desirable over something truly valuable—potentially to the point of failing as a leader. The temptations are: (1) choosing status

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Steven J. Gaspar, FSA, MAAA, is vice president and chief actuarial officer with The Regence Group in Portland, Ore. He can be reached at *sjgaspa@regence.com*.

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over results, (2) choosing popularity over accountability, (3) choosing certainty over clarity, (4) choosing harmony over productive conflict and (5) choosing invulnerability over trust. Lencioni argues that nearly all CEOs fail, and when they do, the failure can be traced back to one of these temptations. In my reading of this text, I found it useful to translate each temptation into a fear of something. Let's look at each one:

Choosing status over results—This is a fear of losing face. It is sometimes manifested as greed and/or laziness after fighting ones way to the top. Those who are susceptible to this temptation allow key decisions to be affected by a desire to keep a good thing going instead of looking for better ways of doing things. Sound business decisions are sacrificed for decisions that make the CEO look good. Leaders who indulge in this temptation reward those who feed their egos rather than people who get results. They also take fewer risks—particularly risks for which failure would be easily traced back to them.

Choosing popularity over accountability—This is a fear of being disliked. Many successful business people spend more time at work interacting with people than they do in their personal lives. Strong personal relationships develop when executive teams work closely much of the time. These relationships can become unintended barriers to a CEO when it is time for him/her to hold his/her direct reports accountable. We have all seen this—Bob is not performing and everybody knows it, but Jane the CEO is blinded by her personal relationship with Bob. She repeatedly overlooks Bob's non-performance, often disclosing to everyone except Bob that he is not performing. Ultimately Jane either fires Bob, or Jane fails as CEO—neither outcome being desirable. An alternative is to set clear goals and objectively hold each team member accountable to the same standard.

Choosing certainty over clarity—This is a fear of making mistakes. Leaders must make decisions with imperfect information. Many CEOs are analytical by nature and have significant intellectual horsepower. These attributes can tempt a CEO to wait for more complete information rather than act on partial data. For a new CEO this temptation is somewhat related to the first (maintaining status) in that he may be more tentative upon achieving the status of CEO—not wanting to make a big, bad mistake now that he is in the spotlight.

Choosing harmony over productive conflict—This is a fear of conflict. Some leaders regularly make the mistake of interpreting harmony as teamwork. What they view as "buy-in" is really "hold-in" as people hold-in the ideas and opinions that differ from the group-think that has momentum at the time. When a team—or worse yet a company culture—embraces harmony and disdains conflict, people learn to keep quiet even when the company bus is headed for a cliff. The dangers with this temptation are many. Fewer ideas are considered and fewer minds contribute to problem solving. CEOs bending to this temptation become dressed in the emperor's new clothes—embracing strategies and tactics that many on their team correctly, but quietly, recognize as doomed from the start.

Choosing invulnerability over trust—This is a fear of showing weakness. Some leaders believe that because they are at the top of the organization they must appear to be infallible. Leaders who give in to this temptation spend no time evaluating their own behavior and skills—ironically

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the opposite of the self-development practices that likely got them to the top. Lencioni believes that candid counsel from direct reports is an invaluable gift that is disregarded by those vulnerable to this temptation. Instead of seeking constructive criticism from subordinates, those weak in this area focus solely on the problems of others.

A read of Lencioni's books reveals some common themes, particularly in the area of creative conflict. In the first article of this series I reviewed Lencioni's "Death by Meeting" and "The Five Dysfunctions of a Team." Both texts identify trust and conflict as critical ingredients of any recipe for success. Conflict is explicitly called out in "The Five Temptations of a CEO." In listening to Lencioni at a lecture last year, it was clear to me that conflict is one of his favorite targets. "If we avoid creative conflict in our teams we are creating a petri dish for destructive conflict later on," said Lencioni. Regular creative conflict—steeped in trust—prevents problems from festering and keeps the team focused on execution.

Obsession

The Four Obsessions of an Extraordinary Executive details four distinct areas of focus for the successful leader. The premise of the book is that organizational health is a key differentiator for successful companies. Lencioni believes that the flattening of the world—and resulting information flows—have reduced the sustainability of advantages caused by focusing on strategy, technology, marketing, etc. He thinks that all successful organizations are both smart and healthy, and that most companies make the mistake of putting focus on the former at the expense of the latter. He defines a healthy organization as one with less politics, less confusion and more productivity. Healthy companies naturally get smarter, and rarely lose top talent. Finally, he believes that the leader is the only one who can make an organization healthy.

In "The Four Obsessions of an Extraordinary Executive," Rich O'Connor is a successful CEO whose company is infiltrated by an executive of questionable character. Jamie Bender joins O'Connor's senior team and immediately realizes that he is not a good fit with the organization. Instead of leaving, Bender sets his sights on learning O'Connor's secrets to success. These turn out to be the four obsessions: (1) build and maintain a cohesive leadership team, (2) create organizational clarity, (3) over-communicate organizational clarity and (4) reinforce organizational clarity through human systems. Once Bender has these secrets, he runs to O'Connor's competition to leverage his newfound treasure to his personal advantage.

The first obsession—build and maintain a cohesive leadership team—is an abbreviated form of Lencioni's "The Five Dysfunctions of a Team." But, in addition to serving as a summarized version of the other text, some self-assessment questions are provided. This allows the reader to grade his or her team against Lencioni's benchmark.

The second obsession—create organizational clarity—involves articulating a mission for an organization. To Lencioni, it does not matter whether it is called a mission, a vision or Steve's crazy idea. What matters is that every employee can quickly identify exactly what the company does, whom it serves and against whom it competes. This obsession shares concepts from "Built to Last," by Collins and Porras. The idea is to capture an organization's reason for being—its core ideology, in "Built to Last" vernacular. Lencioni sees organizational clarity as the galvanizing force that creates leverage in an organization. Just as working in unison

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enables a rowing crew to win, an organization's mission keeps every employee focused in the same direction. Nimble organizations have action-oriented employees who make quick decisions that are aligned with the decisions made by the rest of the organization. A well-conceived and thoughtfully worded mission statement provides a decision compass for every person in an organization. This empowering step enables the transformation from "I did not know what you would have wanted me to do" to "I knew someone had to make the call so I took this action."

Obsession three—over-communicate organizational clarity—involves infecting an organization with its mission. Lencioni recommends three facets of over-communication: repetition, simple messages and multiple mediums. This approach is a recognition of two aspects of human communication and learning: (1) it takes many times of hearing something (some say six times) before a person believes it, and (2) different communication methods work for different people. Over-communicating is necessary to ensure that each member of a rowing crew hears the cadence directed by the coxswain–she does not cry out "stroke" one time and assume that the team can do the rest.

The final obsession—reinforce organizational clarity through human systems—means walking the talk (the company mission being the talk). Human systems include all hiring, firing, promoting, development and reward systems, and processes. Embracing this obsession means creating an interview process that is specifically designed to identify candidates with skills, behaviors and experience consistent with the company vision. It means providing positive reinforcement for behavior that is consistent with the company mission and giving negative reinforcement for mission-counter behavior. It means different pay for different performance relative to the company mission, and it includes removing individuals who perform in a way inconsistent with that mission. While this may seem like a logical approach, it is often not followed, resulting in less than optimal performance.

Turf

Lencioni's next book takes us to the corporate land of turf and silos—a land visited by more than one business leader. The following is a quote from the as yet unedited book, which has the potential of being another hit:

Lencioni's latest effort takes us to the corporate land of turf and silos—a place visited by more than one business leader. The following is an excerpt from "Silos, Politics and Turf Wars," which has the makings of another hit:

One week. That's all the time Jude had to make a breakthrough . . . He immediately became almost obsessed with figuring out the 'silo think,' . . . reading everything he could get his hands on having anything to do with organizational politics. But Jude would not find his answer in any book. It would find him, in a more frightening way that he could ever have imagined.

Patrick Lencioni is president of The Table Group (*www.tablegroup.com*), which provides assistance to corporations including consulting services to build stronger executive leadership teams. ❑

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