

LEADING PEOPLE: Transforming Business from the Inside Out

“Rather than a status, leadership is an activity. To emphasize this I prefer to use leading instead of leadership, a verb instead of a noun, a process rather than a position.” Pg. 15

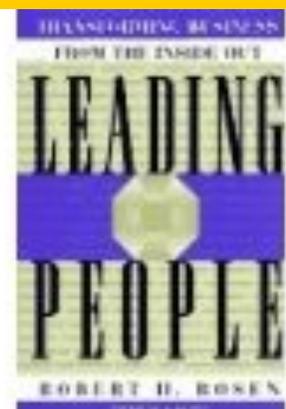
Overview

Leading People is an excellent guide for leaders. It provides not only an understanding of what a leader is and what skills they need, but also practical examples of how to be a leader. A chapter is dedicated to each of the eight principles of leading people: vision, trust, participation, learning, diversity, creativity, integrity, and community. Each of these chapters are then broken into further components of these skills, and each component is accompanied by a business leaders real life success story. The author does not claim that any one leader should possess all of these qualities, but provides them with a model so that they may strive for constant transformation and renewal. The author writes in layman’s terms and keeps the reader enticed with a large variety of unique circumstances.

Leadership is Hard Work

- The largest impact on the performance and commitment of employees is leadership skills.
- A leader has the ability to shed light and impose darkness.
- Leaders must possess intuition.
- We must be careful not to make our leader a villain or a hero, as we will then either expect too little or too much.
- Leaders must be aware of their weaknesses and counter them with “team leadership”.
- The hardest task of a leader is working with people rather than being demanding of people.
- Leaders are made, not born. Their leadership skills evolve throughout life.
- There is added value to a business if you can get employees to contribute discretionary effort.

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VISION

Paint the Whole Picture - James DePreist, Oregon Symphony

DePriest was clearly a leader who looked at the big picture. He looked at both the short and long term goals of the musicians (full time work, a new facility), what role they played in the community and what role the community could play with them (ownership), and envisioned each persons greatest potential. He obtained a collective vision, painted a picture of the possible, and communicated it to every stakeholder. He created awareness by using innovative measures such as playing in parks. DePreist would ask musicians what he could do to help them to live up to their greatest potential, allowing him to support them and expect a lot in return. By assisting people to do their best, it allowed their visions to become reality.

Create a Common Purpose – C. William Pollard, ServiceMaster

Unique tools were utilized by C. William Pollard to establish and maintain a common purpose. For example, each employee, regardless of their position, was required to spend the day delivering one of the companies services. This emphasized the fact that everybody is a teacher and a learner. They also had office walls made of glass to emphasize open communication, goals carved in stone to establish permanent values, and management took the time to determine the full range of skills they wanted in an employee.

Navigate the Change Process – Terrence A. Larsen, CoreStates Financial Corporation

To gain momentum for a vision of change, a leader must be clear, compelling, and involve employees to develop a shared vision. A leader must understand that change effects peoples emotions. The culture of the business, and how interaction takes place needs to be transformed. Strong values can support the organization through unpredictability and change. Larsen used tools including surveys, and focus groups in order to allow employees to vent frustrations and to ask them how management could assist them. Also, by asking employees what they felt their roles were and what they would commit to, they were able to create shared responsibility. This created an atmosphere where reality was reflecting rhetoric. A key component in accomplishing this task was that Larsen also demonstrated change in himself.

Engage in Outcome Thinking – Anne Bryant, American Association of University Women

Anne Bryant teaches us that a leader must create dialogue and engage all employees in outcome thinking. She uses need, credibility, unique contribution, and member interest to accomplish their goals. In Bryant’s role as a leader, she asked all members to brainstorm projects that would set them apart. She found that an important element in group effort is that the leader share the credit.

Build a High Performance Culture – General John Michael Loh, U.S. Air Force

Through Loh’s experience as a leader, he realized that you need to give up control and pass down responsibility and accountability. He felt that you must delayer the organization, and tolerate honest mistakes. He recognized that traditional, autocratic, hierarchal organizations are no longer efficient. Loh communicated to employees that a higher position does not make you smarter. Each role is just as vital as another in getting the overall task accomplished. He felt that measurement was a good way to create an interactive process and an excellent way to measure change. However, he felt that you must not constantly be raising the bar and you must find ways to rewards employees.

DISCOVER PEOPLE’S TALENTS – Todd Mansfield, Disney Development Company

A leader must be creative and see opportunities that others do not see. They must:
1st- identify each persons talent. Spend the energy to find out.
2nd- structure employers job to nurture talent.
3rd- create an environment that supports risk taking and experimentation.
People need to fee comfortable, secure, and self-confident before they will try anything new. People differ in how they express their creativity. They each need the type of environment where they feel comfortable expressing it. Leaders must focus on strengths. If you focus on employees’ weaknesses then you loose by diminishing strengths. No matter how hard you try, weaknesses can never be turned into strengths.

CREATIVITY

DEVELOPING PEOPLE-CENTRED TECHNOLOGIES – Sidney Harman, Harman International Industries

A leader must encourage breakthrough thinking and they must reconfigure problems to find fresh solutions. The more advanced their technologies become, the more humane the management must treat their employees. Harman believes that technology can be the liberating force that allows people to be creative. Harman states, “It’s a mistake to have technology assume a dominant role, to make people become servants to our technology. The goal should be to make technology the servant of the people, freeing them to do what they do best – create. “ Pg. 267
Security of employment allows people to feel comfortable trying out new ideas. To understand peoples’ feelings and fears about technology, Harman has all senior managers spend eighteen days a year working on the production lines.

UNCONVER YOUR ORGANIZATIONS CREATIVITY – Robert E. Koski, Sun Hydraulics

A leader must bring each persons talent to light. This can be managed through encouraging spontaneity, nonconformity, and independent thinking. A leader does not manage the creativity itself, but learns to uncover it, unleash it, and channel it towards the business. One of Robert Koski’s tools to unleash creativity was to get rid of tradition and organizational charts, to leave people with no titles (removing heierarchy), and asking them what he could do to help them achieve their goals. He removed intimidation and provided the freedom to fail. To encourage divergent thinking, when discussing new ideas that seemed unrealistic, he asked everyone to try to suspend previous knowledge, experiences, and expertise and to see if they could find a way that the new idea might work. He rejected convergent thinking which says, “this will not work, or this will not fit”. He also encouraged adult to adult relationships with self-confidence but no ego.

REWARDING THE SOFT INNOVATIONS – Mitchell T. Rabkin, Beth Israel Hospital

A leader must believe that every moment is an opportunity to show respect to others, exhibit quality, and express creativity. A leader must constantly work on relationships, as they will deteriorate over time if left unattended. Pressure is no excuse for not creating a “high-tech, high-touch environment”. Mitchell Rabkin was able to clearly define roles and relationships, a mission, and then identify where everyone/ everything fit into the overall picture. He felt that valuing the soft innovations, relationships with staff, was key. He had his administration staff working in the cafeteria serving people once a year. A doctor barely noticed who was serving him and because of this experience, he has all of his first year med students working in every role in the hospital to demonstrate the importance of each role. If employees feel valued they will treat patients with the same value.

PARTICIPATION

“Two minds are better than one. Many minds are best. Collective wisdom is simply better than individual insight.” Pg.130

Unleash People’s Potential – Michele Hunt, Federal Quality Institute

It is important for leaders to tap into discretionary effort (performance above and beyond the expected minimum), and people who have been underutilized. Hunt was successful in having employees take responsibility for their own actions by reminding them of the power they possess, by liberating them to use their imagination, enthusiasm, and knowledge, and by encouraging a common momentum of serving the larger good.

Promote Employee Ownership – Russell Maier, Republic Engineered Steels

Having employee-owners who are psychologically and financially involved is resourceful and responsible. A leader must establish ways which allow employees to feel a sense of ownership and dedication to the business. This means taking responsibility for both the successes and the failures. For this to happen, a leader must teach employees and other stakeholders about what it means to be an owner. The key is not to act like an owner, but to FEEL like an owner. Some tools are being open with all information, and connecting salary bonuses with achieving target levels. Honesty and information is important. A leader must work with managers, employees, and unions.

Build Partnerships – Paul Nolan and Richard Greenfield, Ford Motor Co./ United Auto Workers

Partnerships are building blocks, and partnerships with all stakeholders must be fostered by the leader. This requires involvement, openness, participation, and teamwork. More people will contribute and this is important because success lies within the people. The lessons learned between Nolan and Greenfield were that everyone has to work at it, a model of behavior must be built starting with the leaders, and that partnerships will constantly be evolving.

Nurture a Team Environment – Alan Mulally, Boeing 777

Mulally focused on changing the mental model of what a leader is. This means a leader can recreate themselves. They can move from hierarchical, formal, controlling behavior to both a role of a leader (challenging, participating, clarifying) and a follower (listening, taking advice and supporting). An organization requires a shared mission, shared plans to make the goal a reality, shared involvement and shared responsibility. In this situation, attitude is important, about yourself and the situation.

Create a Winning Attitude – Barry Alvarez, University of Wisconsin Football Team

A leader has a duty to nurture a winning environment. This involves teaching others how to win, lose, and play by the rules. Alvarez set small goals and slowly raises them. It minimized the cost of trying and reduced the risk of failure. He instills the belief that if you never fail, that means your goals were not large enough. People are sure to see disappointment at some point but how you deal with it is what is important. Alvarez emphasizes principles of love, trust, commitment, and belief. Alvarez feels that leaders must have a tough and soft side to be empathetic yet demanding and compassionate yet competitive.

LEARNING

Build a Learning Community – Tim Cuneo, Oak Grove School District in San Jose

The steps taken by Tim Cuneo to improve outcomes for students is a spectacular example. He wanted to move from poor outcomes to having parents choose their school. He spoke to stakeholders about the gap between the vision and the reality. Cuneo feels that the goal behind every change is making it easy for everyone to grow. Together they created Learning Centres. It involved teachers, students, parents and the community. They taught the parents how to add to their child's development, and to move from traditional to active, participative learning. They were so successful that schools from all over had teams of teachers come for one year to learn about their programs. Cuneo found the biggest challenge was changing old behavior from bossing and managing to leading. Cuneo has a strong belief that there is a need for lifelong learning and that those both inside and outside the system must contribute and take responsibility for their own learning.

Liberate the Human Spirit – J. Kermit Campbell, Herman Miller

A leader must be willing to grow and renew himself at all times. He has the ability to liberate the talents and spirits of his employees by encouraging them and providing them with growth opportunities. A leader's role is to minimize the fear of failure by creating an environment that supports honest mistakes. Campbell found it important to admit when he did not have the answer to a question. He felt that employees would then know that they did not need to have all the answers either. He found a direct connection between liberating the human spirit and performance. Campbell worked on this by creating learning coaches. He learnt the art of dialogue, taught others to suspend judgment, and also to take risks with each other. Campbell felt that if you trust people, they will remove the shackles from their minds and spirits. He realized that every interaction is a learning interaction and that it is important to let people state their frustrations without replying in frustration. Time was a key factor in developing these relationships.

Nurture Personal Renewal – Carla Gorrell, Food & Friends

Leaders and followers must be able to adapt and constantly renew themselves. They must be able to bounce back from crisis and to learn and grow on the job. Leaders must be resilient. They need to allow people to be people and not force them to separate what they learn at home from the workplace. Instead, encourage this flexibility they possess. Gorrell works constantly to improve the skills she possesses, and hires someone who possesses the skills she does not have. She believes the more organized you are the more flexible you can be. Gorrell has a quote on her desk that can be used by any leader or follower. It states, "We are given two lives. The life we learn with and the life we live after that".

Identify Strengths and Shortcomings – Anita and Gordon Roddick, The Body Shop

Leaders and followers must understand that we are all real people and not hold others to such high standards. People must be commended for their accomplishments. A good leader hires staff to fill in his/her deficiencies and works with that person in a complementary way. They listen to all concerns and point out to that person why their job is important. A leader must excite and incite which will both antagonize them and bring them into action. Followers also play a role in the leader's identity. "It's good, of course, that employees help institutionalize their leader's strengths, and know their vulnerabilities, but there is a danger in having others define who you are."

Master the Mentoring Process – Tom Johnson, Cable News Network

Leaders are reflections of their experiences. They have been inspired by different people throughout their lives. There are lessons to be learned from both positive and negative people and both positive and negative situations. Leaders need to learn from leaders. For example, one mentor contributed to Tom Johnson's future practices when he stated, "never release an assignment until you feel that you've done it the very best you can". He was also taught that you need to be sensitive to the needs, wants, and desires of others. It is a great experience to have a mentor who truly cares about others, and will teach you their lessons learned.

INTEGRITY

“While most people want to do the right thing, business is a constant struggle to put integrity into action, to close the gap between rhetoric and reality. That’s why the leader must be a role model.” Pg. 284

- **Do you promote institutional fairness?**
- **Do you foster ethics and entrepreneurship?**
- **Do you show courage and promote courage in others?**
- **Do you put your integrity into action?**

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Promote Institutional Fairness – Dwane Baumgardner, Donnelly Corporation

A leader must be fair-minded as it is their responsibility to create a fair and balanced return for all stakeholders (customers, employees, stakeholders, suppliers). This will establish an ethical community. Donnelly has developed guidelines for institutional fairness at work. Pg. 291

- Be aware when discussions reach a point of diminishing returns.
- Don’t let the pressure in a meeting build to the breaking point.
- Care should be taken not to allow win/lose situations to develop.
- Reaching consensus does not mean that every member must be in complete agreement.
- Every member must support whatever decision is finally reached.
- Everyone must take responsibility to voice concerns and share ideas.

Foster Ethics and Entrepreneurship – J. Robert Beyster, Science Applications International Corporation

The organizations type will be determined by the integrity of the leader and an ethical organization will attract the best employees and customers. Good ethics is good business. Companies earn their reputation for integrity by making ethics a high priority for each and every employee. There is a challenge in fostering good ethics and good entrepreneurship. Combining ethics and ownership is important. There are six steps: make ethics everyone’s number one responsibility, encourage everybody to work hard, promote an active interest in the organization, use equity to reward performance, set an example, and don’t get cynical.

Putting Integrity Into Action – Gregory E. Favre, Sacramento Bee

There is an ethical twist in every business decision. A leader must have a gut sense of what is right and what is wrong. They are responsible for setting the ethical tone of their business. Employees want to be proud of their leader and so they must lead by example. You must demands more from leaders and accept that tolerance levels go down for those who rise through the ranks and then make a mistake. Leaders and followers must not separate business and personal values, they must always act with integrity.

Have Courage – Robert Achtenberg, U.S. Department of Housing and Urban Development
Organizations need as many individual acts of courage as possible. Leaders can stifle or stimulate courage from their followers. It allows them to regenerate itself, to ask tough questions, and to move forward. Courage not only involves standing up for what you believe in but also doing what is right for people whom you do not care for. You need courage to be yourself and to admit the wrongful actions of your organization. You must hold people in privledged positions to a higher standard. They have many people to take courageous actions on behalf of.

COMMUNITY

- Have you created a healthy community?
- Are you inspiring pride and performance in others?
- Do you care beyond your own self-interests?
- Are you an environmental steward?
- Are you committed to transforming your organization? Pg.368

CULTIVATING MATURITY – Leith Anderson, Wooddale Church

A mature leader is required to build a community. They must possess a sense of purpose, a positive outlook, intuitive sense about people, and understand the world around them. The true test is how the leader manages success and his own ego. You need to be mature, and always think of the communities needs. A community comes together for mutual interests, aspirations, and a common purpose. A leader must understand the needs of the congregation.

A leader must lead from the inside out – listening, analyzing, interpreting, enabling and empowering others. A leader must embrace culture and must evolve with changing culture. A community of commitment must be built, one where you hold each other accountable to be mature citizens.

BEING AN ENVIRONMENTAL STEWARD – Horst M. Rechelbacher, Aveda Corporation

As an environmental steward, it is necessary to preserve and restore surroundings. Rechelbacher believes that being an environmental steward leads to greater efficiency within the organization. It also leads to goodwill outside of it. The Aveda corporation provides environmental products, has an organic restaurant, and support Research and Development. Being part of a community also means looking out for the health of your community and for future genera-

TRANSFORMING YOUR ORGANIZATION – John D. Callahan, Allstate Business Insurance

A leader must implement an effective people strategy. Reengineering is a top-down process. By transforming the organization through people, the transformation goes in all directions. The soft side of business, dealing with people is much more difficult than the hard side of top-down, control, but it reaps many more rewards. By having ownership by all employees, it is easier to institute change. John Callahan would discuss where the business was and where they wanted it to be using props such as charts. Callahan felt that by persistent and patient you could get them to invest, and even use their discretionary effort.

INSPIRING PRIDE AND PERFORMANCE – Shirley DeLibero, New Jersey Public Transit Corporation

People want to be somebody, feel important, and make a contribution. Employees treat customers the way the company treats them. No contract – best person should be doing the job, if not, should not be there. Show employees and the public your efficiencies and inefficiencies. People very rarely set out to do a bad job, they have a natural inclination towards quality. Give employees hand written notes if they did something good. Foster pride in the organization. Constantly measure performance. Give responsibility, but demand accountability in return.

CARING BEYOND YOURSELF – James Rouse, Enterprise Foundation

Don't focus on short-term profits and income. Responsibility starts at leaders. Should be expected to be concerned about employees, the people of the community, about crime and what is causing it. Profit prostitutes purpose. Profit is not a right. Positive attitude. Business focus on R&D, lives of your people, the impact on your environment and on your circumstances is another type of R&D. Ask people to think differently about what being in business really means. Need to be wise, articulate, open, and have faith in something beyond themselves.

Be Predictable – Douglas Myers, San Diego Zoo

A leader needs to demonstrate that they will always be understanding so that employees know it is acceptable to make honest mistakes and therefore, take risks. A leader must be the same person in all situations, no surprises. Predictability means that they are not following every new management trend and frequently changing expectations.

Open all the doors – Don Soderquist, Wal-Mart

Don Soderquist found it essential to communicate in all directions, and ensure a free flow of information. He utilized the tool of video conferences to relay the financial situation of Wal-Mart. He openly spoke with employees working on the floor how about things were going and asked how he could help them do their job better.

“Trust has two parts. Being trusting – the ability to believe in others – and being trustworthy - being worthy of others’ belief in you”.
Pg.75

“The more things are communicated, the easier and safer it is to give and get honest, direct feedback.”



DIVERSITY

“The best people and not the best men, women, whites, or blacks deserve the opportunities.” Pg.240

Rosen chose diversity as a key principle of leadership as he feels it is important to gain an appreciation of differences, and a powerful asset to be able to be conscious of your biases. Also, embracing diversity creates a work atmosphere of mutual respect and openness.

Confront Prejudice Head On - Kenneth Brecher, William Penn Foundation

We often grow up with like-minded people, building certain prejudices. It is important to address these head on, and realize that those who are different are not inferior. Brecher feels that a leader should break down barriers between the young and the old, and homosexual and heterosexual people by finding every way to bring them together to the table as well as supporting them. If a leader creates a supportive environment, than employees will feel comfortable and feel comfortable bringing their broad range of skills to the table. A leader must take the time to learn about people, including communication styles.

Cultivate Your Full Range - Joan Claybrook, Public Citizen

While Rosen makes an excellent point about learning how to put diverse leadership styles together, he really loses the readers interest when discussing typical leadership traits of females (collaborative) and males (competitive).

Manage Your Differences - Caesar Odio, City of Miami

Caesar Odio learnt how different people are when he observed as a child how people were trying to depersonalize him. He instead understood that people want freedom and support to be themselves. Instead of isolating people from City Hall, he created 11 separate branches and locations, called Neighborhood Enhancement Offices – staffed by a Neighborhood Resource Officer, a police officer. These officers carried messages back and forth. By listening to diverse opinions he built Bupartnerships with the police department and unions who previously fought with city hall. When Hurricane Andrew Came he had everyone perform duties to assist the public that had nothing to do with what they were hired for. They just new it needed to be done. He had people in diverse roles come together for a common cause.

Creating a Culture of Respect - Elliot Hoffman, Just Desserts

A leader looks at his own passions and self-esteem to determine what makes him feel inspired and respected. Leaders must respect employees, diversity in employees, and the community. They must shed light rather than impose darkness. It takes time to institutionalize a culture of respect because people do not quickly change their attitudes and stereotypes. This example teaches us that putting people side by side at work will help address the issue, rather than compartmentalizing people.

- Do you share yourself and the numbers in the business?
 - Are you developing deep listening skills?
 - Are you predictable and consistent?
 - Have you opened all the doors?
- Pg. 367

Share Yourself and the Business – John P. (Jack) Stack,

Springfield Remanufacturing

John Stack set out to communicate to employees that the leader is no more important than any other member of the organization. This demonstrated that he respected their work. The tools he used were rewarding foremen and their families with pizza nights, poker games, and picnics. He shared information about how their sector was doing, and had discussions about how what they did fit into the bigger designs. It led employees to understand the importance of how they performed and the quality of their products.

Develop Deep Listening Skills – Gun Denhart, Hanna Andersson

Gun Denhart embraced the fact that it is impossible for an employee to separate work and home life. She treated employees as human beings, not instruments of production. A leader has the ability to make a close connection with employees through listening skills. A leader needs to build dialogue skills to conduct open conversations.

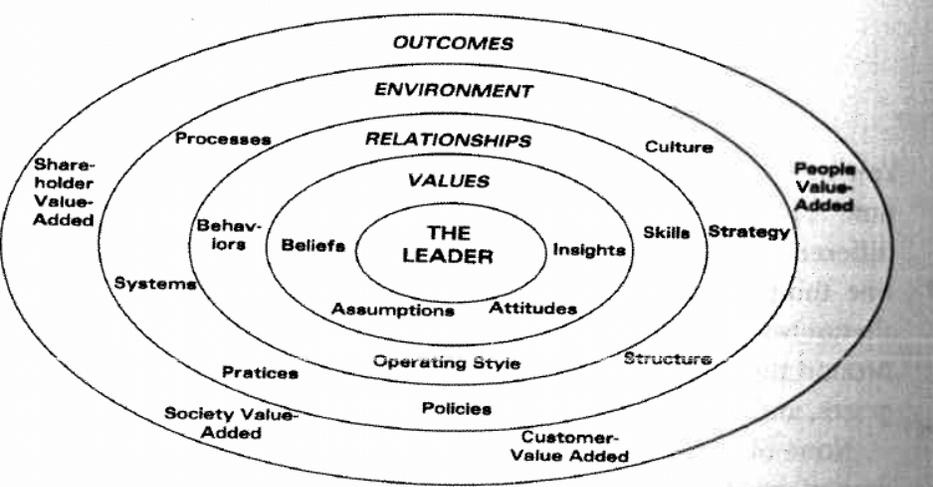
PUTTING WISDOM TO WORK

“The first step to leading is to know where you stand on each of the eight principles.”

Pg. 367

1. Understand yourself at a deeper level.
2. Practice positive one-on-one relationships.
3. Develop a diverse leadership team.
4. Diagnose the health of your organization.
5. Build a mature, adult workforce.
6. Create a culture of leaders.
7. Build a healthy, high performance organization
8. Be wise about leading change.
9. Learn to follow your leaders.
10. Broaden your message of success.

Transforming Business from the Inside Out



Rosen has developed a diagram, found on page 365, to assist his understanding of the transformation process which leaders go through. Each of the circles resemble a path that the leader takes, moving from the inside to the outside of the circle, creating value for the enterprise on the path outward. First, there are basic assumptions that the leader possesses regarding organizational life and human nature. The assumptions influence the leaders values and beliefs, which impact his/her operating style and how they build relationships. The leader then develops a work environment of strategies, systems and practices, based on his/her underlying philosophies. When the leader has gone through all of these paths, it benefits the stakeholders they lead.

Critical Summary

Leading People has provided some great insight on how one can be a good leader. The author provides eight principle of leadership which can assist leaders to assess the quality of their leadership. Each of the thirty-six leaders discussed in this book provide us with concrete examples of exemplary leadership. They provide us examples of tools which can be utilized to gain certain desired outcomes. An important element Rosen has stated is that no leader is perfect. What is key in Rosen's eyes is that the leader initiate a transformation process, beginning with him/herself, when one or more of the eight leadership principles are not present within the leader and the followers. To accomplish this, a leader must value, work with, and learn from the followers, working from the inside and move outward.

There are a few weak points in this book. At times it is difficult to distinguish the authors point of view from that of the thirty six leaders he interviews. It is overly evident that Rosen is trying to shape peoples experiences around each of the principles of leadership. While he does a great job of reinforcing the underlying themes and challenges found in the introductory chapter, such as a leaders ability to shed light or impose darkness, it often feels too calculated. It leaves the reader with the feeling that some key experiences or lessons provided from the leaders may have been omitted. Also, the authors' opinions in the chapter on diversity were quite strong. In particular, his identification of male and female traits took away from the credibility of his assessments.

Overall, the book was an excellent read. He has successfully built a guide for leaders, and a model which clearly demonstrates how to transform oneself from the inside out.