Book Summary
Leadership Engine

By Noel M Tichy and Eli Cohen
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Book Summary prepared by P Bala Bhaskaran

Introduction

Man's concern with the art and science of leadership is as old as mankind itself. It has attracted many thinkers. Noel M Tichy and Eli Cohen have studied a large number of successful leaders in the context of their winning organisations and have come out with a set of observations that mark the alchemy of winning leadership. According to them winning is all about leadership; winning individuals are essentially leaders. They are people with ideas, values, energy and guts to do what needs to be done. Winning companies value leaders; they have cultures that expect and reward leadership; these organisations actively invest time and resources into developing leadership. Winning organisations win because they have lots of leaders; they have lots of leaders because they systematically nurture them. The line that separates winning organisations from others is the formers' ability to create leadership at every level. In every winning company leading and teaching goes hand in hand. These organisations are generally net exporters of leadership talent.

Leadership and its relevance to organisations

Winning can be described as adding value to the customers and sustaining excellence. For commercial organisations, this can be gauged by the continued track record of excellence on the capital market; for non-profit organisations, we have to look at the increasing impact of the organisation on increasing number of people. Winning organisations are those that reinvent themselves continuously to add value to the customers. Winning organisations have been more effective in teaching leadership. The authors' observations are that in these organisations
- proven leaders do the teaching
- the leaders are avid learners.
- The leaders tend to possess: ideas, values, energy, emotions and edge.

Why are leaders relevant or important to the organisations? In a competitive environment, organisations need leaders who can determine the direction; who can redirect the organisational energies. They are the people who decide what needs to be done; they make things happen in the desired direction. For organisations to be winning and effective, regular supply of leaders is essential. This is the story of any organisation that has been winning, surviving and growing over long periods.

A leader is successful only if he is able to develop others to be leaders. If he does not oversee the leadership development closely, the process would not be effective and the organisation would not be sustained. Great leaders accomplish their goals through their followers; they teach their followers to be leaders. The leaders develop their teachable point of view through clear ideas and values based on their knowledge and experience; not on borrowed ideas and values. Citing rear Admiral Chuck Lemoyne who taught special warfare, the authors observe '….the real goal of the preparation, therefore, is not to give people proficiency in the latest warfare technology. It is to create leaders, men and women who will react with the right instincts in hostile, confusing and unpredictable environments.' Leading goes along with teaching.

The saying that extraordinary leaders are created by extraordinary circumstances is a myth according to the authors. Every body has a past. Extraordinary people visit them frequently for inspiration and craft them into usable stories. Ordinary people either do not visit them or are not able to find inspiration from them. We read about Tim Teller [CEO of Polaris] or Gary Wendt [CEO of GE Cap] or many others who got inspired from their early experiences and built their leaderships. These leaders have been able to build their greatness based on their experiences. Many others, ordinary people, just did not do it.

The authors have come up with a model of winning leadership called the Leader's Teachable Point of View where the primary elements are Ideas, Values, emotional Energy and Edge. Most of the book dwells on this model.

Ideas: The Heart of Leadership
The heart of leadership is **Ideas**. Winning organisations are built on clear ideas. A classic example is *Nike.* Nike is the Greek Goddess of Victory. Phil Knight, the founder, articulated that his organisation stood for the victory of the athletes; he made his organisation synonymous with the athletes' victory. This articulation served as an organising and guiding principle for all its activities; this has propelled the growth and success of the organisation. Ideas serve as building blocks for the organisation.

Ideas serve as energisers. They are essential tools in motivating people. In 1961 John F Kennedy declared that America would like to put a man on the moon in about ten years. This became the driving force, the energiser, for NASA to plan all its activities; it became the driving force for all the personnel in NASA to engage their minds and open up new creative possibilities and alternatives. Finally America put a man [Neil Armstrong] on the moon in less than a decade in 1969.

Leadership is about creating such ideas. The ideas need to be current and relevant in the context of the external market situation. In creating an idea one has to think of the unthinkable and literally use everything that he has around him.

Values: The Touchstone of Social Relevance

After ideas the next major building block is **values**. Morals and values have always been the cornerstones of society; Moses, Jesus, Gandhi and Martin Luther King Jr. are examples to this. Winning leaders, invariably, recognise the significance of having corporate values that support and sustain the organisation's goals and making sure that everyone in the organisation understands and lives by them. They

- Clearly articulate a set of values for the entire organisation
- continually reflect on the values to make sure that they are appropriate to achieving the desired goals.
- They embody the values with their own behaviour
- They encourage others to apply the values in their own decisions and actions.
- They aggressively confront and deal with pockets of ignorance and resistance.

Winning leaders also ensure that with changes in technology and markets, the ideas and values continue to be appropriate. One of the basic differences between winning organisations and others is that the winning leaders live the values and they make every one else do the same. They help everyone internalise the values through day-to-day activities and through every process and act of the organisation. Having created a value system unique to the organisation, it becomes a competitive tool; the values take root as the fabric of the corporate culture and they provide a tangible base for the growth and sustenance of the organisation.

Changing people's values is harder than changing their ideas, but in the long run, this becomes essential. Restructuring the businesses, the organisation etc are much simpler compared to changing the values of the people. For any change to be effective, leaders need to reorient the values that guide people's actions. True leaders can see the writings on the wall, they can see the big picture, can change their mind and mindsets and help others do the same.

Emotional Energy: The cementing force

Organisations have **energy** because they are made up of people and people have energy. Winning leaders understand this; they help nurture positive energy, direct it to creative channels, use energy as a competitive tool. Winning leaders are invariable highly energetic: they work longer, harder and they love doing that. Their high energy, both physical and emotional, excites and energises everyone.

Winning leaders use the operating systems, like meetings, communication channels etc, innovatively to create positive emotional energy. They seek ideas, plant ideas, seek involvement, enable decision making and generally empower the people around them. They are able to transform negative energy into positive channels. They do this by creating situations and conditions, which the authors list as below:

- a sense of urgency
- an inspiring mission
- a set of goals that stretch people's capabilities.
- Spirit of teamwork - "we are in it together"
- A realistic expectation that the team members achieve the goals.

Winning leaders are experts in visualising the possibilities in every situation, in terms of short-term and long-term impacts. They have immense energies of their own; using these they inspire others to dream and conjure up new possibilities, to rupture the existing paradigms and they lead them to newer horizons.

Edge: The differentiator

Edge is the ability to take tough decisions; it is the ability to sacrifice a comfortable present for the sake of a better future. Edge manifests in two major factors: first is the immense drive to seek the truth which will be the basis for decision making; second is the courage to take decisions. Edge is about having courage of convictions, of refusing to let difficulties stand in the way, of having principles and standing up for them.

Edge is observed in different categories of situations. In business related situations edge is about abandoning the existing business line to choose another, it is about adopting a new portfolio and the like. In people related situations, it is about assessing people and giving them a tough feedback and perhaps even firing them. Jack Welch came up with a 2 X 2 matrix on people. He looked at the ability of the person in accepting and adopting the values of the organisation on one dimension and his performance on the other dimension. The resulting matrix is assessed as four types of people.

Type	Values	Performance	Prescription
1	Hi	Hi	Encourage and nurture
2	Lo	Lo	Must go
3	Hi	Lo	Give them another chance
4	Lo	Hi	OK in the short-run; but in the long-run not suitable

Winning leaders would have a high sense of the reality, they respect others, they go to great lengths to explain their position to others and they also inspire others by their tough decisions and actions. Such leaders are respected by superiors and subordinates alike. It is a fact that people like their leaders to be strong and action-oriented.

It is desirable to develop edge in every employee so that each becomes a leader eventually. Leadership scholars like Abraham Zaleznik, Eric Ericson, John Gardner and James McGregor Burns have written about early hardships in life and their impacts on character. Those who have come through hardships and sacrifices tend to develop self-confidence and self-reliance. Such persons find it easier to make tough decisions. In most professions and organisations people are put through progressively more difficult situations. This is meant to enhance their capability and competence to manage. This is the most common form of developing edge.

Conclusion

Winning leaders combine ideas, values, emotional energy and edge innovatively to achieve transformation in the organisation. Very often this is initiated through stories woven by the leaders; these stories reflect the following basic elements

- the case for change
- where we are going
- how we will get there

Stories are found to be powerful tools in involving people emotionally and intellectually. Leaders bind people together through these stories, energise them and lead them into the future.

The book concludes that winning leadership is about building for the future. In the short-run, the leaders prepare the organisation to respond to changes; in the long-run, they create organisations that can sustain success. Organisation becomes successful when it has large number of leaders. Legacy of a winning leader is creation of many leaders. Good leader take care to plan their succession systematically and leave the scene in a phased manner.

<u>The authors, The Style of the Book</u>

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The book is written in a very racy style with large number of situations and case-histories to back up every concept. The authors have brought in their immense knowledge and wealth of experience into creating this book. The way of presentation is very lucid and easy on the reader to enable him read the book with least effort and strain. In addition to the very crisp chapter-summaries they have also provided a handbook, towards the end of the book, to help practice leadership development. The case-histories documented include most of the leading corporate names and CEOs of corporate America in the last two decades of the 20 th century. On the whole it is an extremely well-documented, insightful and readable book that every budding leader should lay his hands on.

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