

## THE JOURNEY TO AUTHENTIC LEADERSHIP

Leadership is a journey, not a destination.

It is a marathon, not a sprint.

It is a process, not an outcome.

—John Donahoe, *president of eBay*

Starbucks founder Howard Schultz is a leader who used his life story to define his leadership. In the winter of 1961, seven-year-old Schultz was throwing snowballs with friends outside his family's apartment building in the federally subsidized Bayview Housing Projects in Brooklyn, New York. His mother yelled down from their seventh-floor apartment, "Howard, come inside. Dad had an accident." What followed would shape him for the rest of his life.

He found his father in a full-leg cast, sprawled on the living room couch. While working as a delivery driver, Schultz's father had fallen on a sheet of ice and broken his ankle. As a result, he lost his job—and the family's health care benefits. Workers' compensation did not yet exist, and Schultz's mother could not go to work because she was seven months pregnant. The family had nothing to fall back on. Many evenings, Schultz listened as his parents argued at the dinner table about how much money they needed to borrow and from whom. If the telephone rang, his mother asked him to answer it and tell the bill collectors his parents were not at home.

Schultz vowed he would do it differently when he had the opportunity. He dreamed of building a company that treated its employees well and provided health care benefits. Little did he realize that one day he would be responsible for 140,000 employees

working in eleven thousand stores worldwide. Schultz was motivated by his life's experiences to found Starbucks and build it into the world's leading coffeehouse. After being CEO for thirteen years, he has turned the reins over to his successors but remains as chairman.

Memories of his father's lack of health care led Schultz to make Starbucks the first American company to provide access to health coverage for qualified employees who work as few as twenty hours per week. "My inspiration comes from seeing my father broken from the thirty terrible blue-collar jobs he had over his life, where an uneducated person just did not have a shot," Schultz said.

*That event is directly linked to the culture and the values of Starbucks. I wanted to build the kind of company my father never had a chance to work for, where you would be valued and respected, no matter where you came from, the color of your skin, or your level of education. Offering health care was a transforming event in the equity of the Starbucks brand that created unbelievable trust with our people. We wanted to build a company that linked shareholder value to the cultural values we create with our people.*

Unlike some who rise from humble beginnings to create great personal wealth, Schultz is not ashamed of his roots. He credits his life story with giving him the motivation to create one of the great business successes of the last twenty-five years. But understanding the meaning of his story took deep thought because, like nearly everyone, he had to confront fears and ghosts from his past.

Brooklyn is burned into Schultz. When he took his daughter to the housing projects where he grew up, she surveyed the blight and said with amazement, "I don't know how you are normal." Yet his experience growing up in Brooklyn is precisely what enables Schultz to be so normal that he can connect with anyone. He speaks with a slight Brooklyn accent, relishes an Italian meal at a familiar restaurant, dresses comfortably in jeans, and respects all types of people. He never forgets where he came from or lets his wealth go to his head: "I was surrounded by people who were working hand-to-mouth trying to pay the bills, who felt like there was

no hope, and they just couldn't get a break. That's something that never leaves you—never.”

His mother told him that he could do anything he wanted in America. “From my earliest memories, I remember her saying that over and over again. It was her mantra.” His father had the opposite effect. As a truck driver, cab driver, and factory worker, he often worked two or three jobs at a time to make ends meet but never earned more than \$20,000 a year. Schultz watched his father break down while complaining bitterly about not having opportunities or respect from others.

As a teenager, Schultz felt the stigma of his father's failures, as the two clashed often. “I was bitter about his underachievement and lack of responsibility,” he recalled. “I thought he could have accomplished so much more if he had tried.” Schultz was determined to escape that fate. “Part of what has always driven me is fear of failure. I know all too well the face of self-defeat.”

Feeling like an underdog, Schultz developed a deep determination to succeed. Sports became his early calling, because “I wasn't labeled a poor kid on the playing field.” As star quarterback of his high school football team, he received a scholarship to Northern Michigan University—and became the first person in his family to earn a college degree. His fierce competitiveness never faded: it just shifted from football to business.

Schultz started his career at Xerox but felt the environment was too bureaucratic and rigid for him to flourish. While others thrived in the Xerox culture, Schultz yearned to go his own way. “I had to find a place where I could be myself,” he said.

*I could not settle for anything less. You must have the courage to follow an unconventional path. You can't value or measure your life experience in the moment, because you never know when you're going to find the true path that enables you to find your voice. The reservoir of all my life experiences shaped me as a person and a leader.*

Schultz then got involved in selling coffee filters, where he encountered Starbucks Coffee during a sales call at Pike Place

Market in Seattle. “I felt I had discovered a whole new continent,” he said. He actively campaigned to join the company, becoming its director of operations and marketing.

On a buying trip to Italy, Schultz noticed the unique community experience that Milanese espresso bars played in their customers’ daily lives. He dreamed of creating a similar sense of community in the United States, using coffee as the vehicle. Upon his return, Schultz decided to launch the new business on his own and opened three coffeeshouses in Seattle. Learning he could acquire Starbucks from its founders, Schultz quickly rounded up financing from private investors.

As he was finalizing the purchase, Schultz faced the greatest challenge of his business career when one of his investors proposed to buy the company himself. “I feared all my influential backers would defect to this investor,” he recalled. “I asked Bill Gates Sr., father of the founder of Microsoft, to help me stand up to one of the titans of Seattle because I needed his stature and confidence.”

Schultz had a searing meeting with the investor, who told him, “If you don’t go along with my deal, you’ll never work in this town again. You’ll never raise another dollar. You’ll be dog meat.” On leaving the meeting, Schultz was overcome with tears. For two frenzied weeks, he prepared an alternative plan that met his \$3.8 million financing goal and staved off the alternate investor.

*If I had agreed to the terms the investor demanded, he would have taken away my dream. He could have fired me at whim and dictated the atmosphere and values of Starbucks. The passion, commitment, and dedication would have all disappeared.*

The saddest day of Schultz’s life was when his father died. When he shared with a friend the conflicts he felt in his relationship with his father, his friend remarked, “If he had been successful, you wouldn’t have the drive you have now.”

After his father's death, Schultz reframed his image of his father, recognizing strengths such as honesty, work ethic, and commitment to family. Instead of seeing his father as a failure, he came to believe the system had crushed him. "After he died, I realized I had judged him unfairly. He never had the opportunity to find fulfillment and dignity from meaningful work."

Schultz channeled his drive into building a company where his father would have been proud to work. By paying more than minimum wage, offering substantial benefits, and granting stock options to all its workers, Starbucks offers its employees what Schultz's father never received. Schultz uses these incentives to attract and retain people whose values are consistent with the company's values. As a result, Starbucks employee turnover is less than half that of other retailers.

Among Schultz's greatest talents is his ability to connect with people from diverse backgrounds. He tells his story and the Starbucks story at special events and visits two dozen Starbucks stores per week. Each day he gets up at 5:30 A.M. to speak by phone with Starbucks personnel around the world. He says Starbucks gave him "the canvas to paint on."

*Starbucks is the quintessential people-based business, where everything we do is about humanity. The culture and values of the company are its signature and its competitive difference. We have created a worldwide appeal for our customers because people are hungry for human connection and authenticity. Whether you're Chinese, Japanese, Spanish, or Greek, coffee is just the catalyst for that connection. I don't know if I was drawn to this business because of my background, or whether it gave me the opportunity to connect the dots, but it has come full circle for me.*

Schultz's experience is instructive in the way he consciously used his life experiences to envision the kind of company he wanted to create in Starbucks and then made it happen. His example is one of dozens from authentic leaders who traced their success and inspiration directly to their life stories.

## **Your Life Story Defines Your Leadership**

Asked what motivates them to lead, authentic leaders consistently say they find their motivation through understanding their own stories. Their stories enable them to know who they are and to stay focused on their True North.

The stories of authentic leaders cover the full spectrum of life's experiences. They include the impact of parents, teachers, coaches, and mentors who recognized their potential; the impact of their communities; and their leadership in team sports, scouting, student government, and early employment. Many leaders find their motivation comes from a difficult experience in their lives: personal illness or the illness of a family member; death of a parent or a sibling; or feelings of being excluded, discriminated against, or rejected by peers.

What emerges from these stories is that virtually all the leaders interviewed found their passion to lead through the uniqueness of their life stories.

Not by being born as leaders.

Not by believing they had the characteristics, traits, or style of a leader.

Not by trying to emulate great leaders.

Some outstanding leaders like former Merck CEO Roy Vagelos said they did not see themselves as leaders at all. Instead, they viewed themselves as people who wanted to make a difference and inspired others to join with them in pursuing common goals. If that isn't leadership, what is?

Let's focus on the life stories of three more leaders. As you read these stories, think about the ways your life story inspires you and defines your leadership.

### ***Dick Kovacevich: From Athletic Field to Premier Banker.***

During the past twenty years, Dick Kovacevich, chairman and CEO of Wells Fargo Bank in San Francisco, has compiled one of the most successful track records of any commercial banker. In his interview, he did not focus on his professional success but talked

instead about how his experiences growing up in a small town in western Washington shaped his leadership philosophy.

Kovacevich was raised in a working-class family and interacted with people of all income and education levels. The dairy farmers, loggers, and workers at the local Weyerhaeuser sawmill that he knew were intelligent people who worked hard and had high ethical standards but lacked a college education. His teachers had a tremendous influence on him, encouraging him to do well academically and go to college.

From the age of eleven through high school, Kovacevich worked in a local grocery store, which stimulated his interest in business. He would go to school, play sports from 3 to 5:30 P.M., run home and eat, and then be at work from 6 to 9 P.M. Eventually, he ran the produce department in the summer when the produce manager went on vacation. He did the displays, pricing, and ordering and learned he enjoyed business. Those experiences taught Kovacevich disciplines that stayed with him ever since: “I developed the intuition and leadership skills needed in business, more so than in business school where there weren’t any leadership courses.”

Athletics had a significant impact on Kovacevich’s development as a leader. From the age of four, he played a team sport several hours every day, becoming the team’s leader as captain in baseball or quarterback in football. “On the athletic field I learned that a group of people can perform so much better as a team than as the sum of their individual talents. Through my early leadership experiences, I learned skills by trial and error that I could apply in business.”

*If you were quarterback of a team of quarterbacks, you would lose every game. Just as quarterbacks are overrated, CEOs are too. You can’t be an all-star quarterback unless you have some great linemen, outstanding receivers, and a good running game. Diversity of skills is an important element of any effective team. I am amazed at leaders who surround themselves with people just like themselves. There is no way they can be*

*effective. We need to recognize our weaknesses, but don't want to amplify them. You need to surround yourself with people whose strengths complement your weaknesses.*

Dick Kovacevich has made good use of that principle throughout his business career, from Citibank to Norwest Bank to Wells Fargo. He has surrounded himself with talented executives who build the bank's individual businesses, giving them the authority and latitude to lead in their own way while continuing to act as quarterback of the team.

His life experience of growing up in a small town has profoundly shaped his banking philosophy. While other banks were using computers to eliminate customer-service personnel, Kovacevich endeavored to make Wells Fargo the most client-friendly bank in every community where it operates by having its employees adopt an attitude of helping their clients meet their financial needs. For example, when you approach Wells Fargo for a mortgage on your home, the loan officer is likely to ask you about setting up a savings account for your daughter's college fund or an individual retirement account. Because Kovacevich has surrounded himself with highly talented executives and has remained so deeply engaged in the business, Wells Fargo has been able to sustain the highest growth in earnings over the past two decades of any commercial bank.

***Ellen Breyer: Recapturing Her Passion.*** Ellen Breyer, CEO of Hazelden Foundation, the leading chemical dependency treatment organization, relies on passion to guide her leadership. As a college student in New York in the late 1960s, she was an activist involved in many causes. She protested the Vietnam War, organized civil rights marches in Washington, and led voter registration drives in her hometown of New Rochelle, New York.

Breyer did not know the federal government was taking notice of her activities, or that it considered them subversive. Then one day she was notified that her federal student loans had been with-



drawn. “The government was taking pictures at rallies, looking at petitions, and identifying college students. I was one of four people in my class who had their student loans pulled as a result,” she explained.

*There were some borderline activities, but I wasn't part of them. The anti-war movement was a long continuum, and we played within the law. We had strong feelings, passions, beliefs, and a solid rationale for what we were doing. It was remarkable that you could put your energies into something and make significant change. I loved it.*

Breyer married after graduation and went into business, rising to head of corporate marketing for Godiva Chocolate. After her three sons were born, she cut back on her work schedule to spend time raising them. As a result of her husband's promotions at American Express, the Breyers moved to London, back to New York, and then to Minneapolis. Each time Ellen took a new position in the corporate world. When her youngest son graduated from high school, she decided to take a sabbatical. “It is interesting how my life came full circle,” she reflected.

*I was spending a lot of time on nonprofit volunteer activities and enjoying that more than my day job. I went skiing in Aspen for a season and thought about what I wanted to do with the rest of my life. I asked myself, how can I make the transition from the for-profit environment to working in a nonprofit?*

While serving on the board of Hazelden Foundation, Breyer was made interim CEO as the board conducted a national search. Seven months later she became permanent CEO, enabling her to fulfill her desire to help people with dependency issues.

*This experience has reconnected me with my passions. I feel strongly about helping people recover from alcohol and drug addiction. On a personal level, my father died of alcoholism. There is a direct link to what I did*

*before I was thirty and what I am doing now, in terms of connecting your work life with your passions, and the belief that you can change things in a dramatic way.*

Breyer's ability to recapture the passions of her early years and link them to her current work is impressive. She has reframed her life story by taking experiences from her past to define and empower her present. As a result, her passion for leading has a remarkable impact on those around her.

***Reatha Clark King: From Cotton Fields to the Boardroom.***

Reatha Clark King's roots trace to a rural community, where she was encouraged by many to become a leader. King acknowledges, "I didn't get here on my own. I am standing on the shoulders of the giants in my life who reached out and helped me get launched, and all those who helped me along the way."

King grew up in Georgia in the 1940s as the daughter of farm laborers. Her father left the family when she was young, so her mother worked as a maid to support her three children. Her family was so poor that she often had to leave school to work in the cotton fields for \$3 per day so her mother could pay the bills. "Those were bitter moments in my experience, because white children didn't have to leave school," she recalled. "That contrast was so clear and so wrong."

The young King found her church a haven amid the constant poverty and discrimination. "I have fond memories of going to church every Sunday morning at eleven and being there until two o'clock. I can still close my eyes and see my grandmother praying." The older women of the church, known as "sisters," identified her special abilities, noticing her intellectual potential, initiative, work ethic, and dependability. "The sisters, my teachers, and people in the community kept an eye on me, and encouraged me to overcome unjust barriers against black people."

King credited two mentors with influencing her development the most: her grade school teacher for seven years and the school

librarian. They encouraged her to go to Clark University in Atlanta, where she won a tuition scholarship and worked in the registrar's office for 35 cents an hour to pay for room and board.

While studying at Clark, King was mentored by the chair of the chemistry department, who stimulated her interest in becoming a research chemist. She applied to the University of Chicago's doctoral program, a bold step for a young woman from Georgia. After earning her Ph.D. in physical chemistry, she worked at the National Bureau of Standards and then taught at York College in New York. Even there, things were not easy. "One black faculty member called me an Uncle Tom for trying to resolve issues," she recalled. "That was one of the most hurtful moments of my life."

She got her first opportunity to lead when she became president of Metropolitan State University in Minneapolis. But she did not yet see herself as a leader.

*Others thought of me as a leader, but I saw myself as someone doing what needed to be done. My reasons for leading were not centered on my needs but on the needs of my people, of women, and of my community. I saw compelling challenges to be met. If no one else is willing to lead, or capable of leading, then it is my obligation to step up to the challenge.*

King found her gender represented another barrier to opportunity. "You had to reach down deep to reinforce your courage in order to overcome both race and gender. To find inspiration, I would think back on the sisters and teachers along the way who had such great influence on my life."

While at Metro State, she was recruited by the CEO of General Mills to be president of the General Mills Foundation. Using this platform, she pioneered programs to help young people of color. Since King retired from General Mills, she has devoted her energies to corporate boards. Her reputation grew as she was elected to the boards of directors of ExxonMobil and Wells Fargo Bank, as well as Minnesota Mutual, Department 56, and H. B. Fuller. In 2004 the National Association of Corporate Directors named her Director of

the Year. “I enjoy opportunities to serve on corporate boards because diversity should be at that table. Not everybody likes being the only one there, but I feel comfortable,” she said.

King often thinks back to what her parents did with what they had and wonders if she is doing enough. “The question is, what do people lead toward? I’m leading toward a cause: to get more opportunities for people. It is in my blood to remove unjust barriers and to help people appreciate themselves and be who they are.”

Throughout her life, King has used the inspiration of her life story to stay on course to her True North. She reaches out and helps others as she quietly walks past barriers of racial and gender discrimination, without ever expressing discomfort or anger. She is as comfortable in the boardrooms of the world’s largest corporations as she is in creating opportunities for the poor.

## **What’s Your Life Story?**

What can be learned from the stories of Howard Schultz, Dick Kovacevich, Ellen Breyer, and Reatha Clark King? All of them, like other leaders interviewed, take their passion and inspiration to lead from their life stories. By understanding the formative experiences of their early lives, they have been able to reframe their life stories and their leadership around fulfilling their passions and following their True North.

At this point you may be wondering, doesn’t everyone have a life story? What makes leaders’ stories different from everyone else’s?

Many people with painful stories see themselves as victims, feeling the world has dealt them a bad hand. Or they lack the introspection to see the connection between their life experiences and the goals they are pursuing now. Some get so caught up in chasing the world’s esteem that they never become genuine leaders.

The difference with authentic leaders lies in the way they *frame* their stories. Their life stories provide the context for their lives, and through them they find their passion and inspiration to make an impact in the world. Novelist John Barth once said, “The story of

your life is not your life. It is your story.” In other words, it is your story that matters, not the facts of your life. Our life stories are like permanent tapes playing in our heads. Over and over, we replay the events and interactions with people that are important to our lives, attempting to make sense of them and using them to find our place in the world.

Reframing our stories enables us to recognize that we are not victims at all but people shaped by experiences that provide the impetus for us to become leaders. Our life stories evolve constantly as we shape the meaning of our past, present, and future. Warren Bennis says, “You are the author of your life.” He advocates using our stories to provide the inspiration to create our futures.

As the author of your story, can you connect the dots between your past and your future to find your inspiration to lead authentically? What people or experiences have shaped you? What have been the key turning points in your life? Where do you find your passion to lead in your life story?

## **The Journey to Authentic Leadership**

Having considered how our life stories provide the basis for our leadership, we are ready to embark on the journey to authentic leadership.

When I graduated from college, I had the naive notion that the journey to leadership was a straight line to the top of an organization. I learned the hard way that leadership is not a simple destination of becoming CEO. Rather, it is a marathon journey that progresses through many stages until you reach your peak leadership. I was not alone. *Of all the leaders over forty we interviewed, none wound up where they thought they would.*

Vanguard CEO Jack Brennan believes that the worst thing people can do is to manage their careers with a career map: “The dissatisfied people I have known and those who experienced ethical or legal failures all had a clear career plan.” Brennan recommends being flexible and venturesome in stepping up to unexpected

opportunities. “If all you’re interested in is advancing your career, you’ll be dissatisfied at the end of the day.”

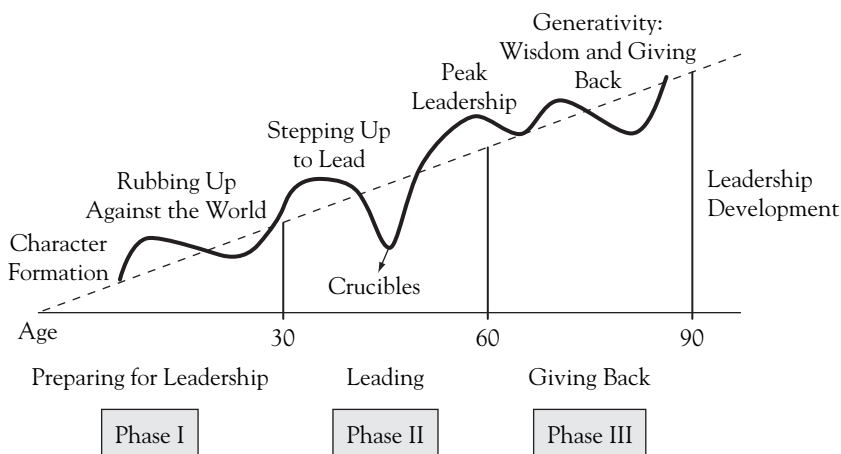
Fifty years ago, business leaders chose their careers in their early twenties when they joined a company after college or military service, worked there diligently for forty years, retired to a warm climate, and often died before seventy. In interviewing leaders at all phases of their leadership journeys, it became clear that an entirely new leadership development path is emerging, as illustrated by Figure 1.1.

As the lifeline indicates, your development as a leader is not a straight line to the top (dashed line) but a journey filled with many ups and downs as you progress to peak leadership and continue leading through the final stage (solid line). These days your journey is more likely to follow a winding path than it is to be a race to the top.

As eBay’s John Donahoe said, “Everything in life is a cycle.”

*When things are up, the only thing you know is that they are going to go down. On the down slope the only thing you know is that things will turn up. You don’t recognize the upward slope as the lows are higher than your highs used to be. That’s life as a process, an opportunity to learn and grow. Make a movie of your life, not just snapshots along the way.*

**Figure 1.1 The Journey to Authentic Leadership**



Because many people are living well into their nineties these days, the leader's journey follows the new span of life and subdivides into three periods, each of roughly thirty years. Each stage of the journey opens up a myriad of opportunities for leadership. In their first thirty years, leaders develop through education and studying, as well as extracurricular and early work experiences. Phase I is labeled "Preparing for Leadership." Phase II, from thirty to sixty years of age, is the "Leading" phase in which leaders take on successive roles until they complete their peak leadership experience.

Finally, Phase III is for "Giving Back," a stage of human development that psychologist Erik Erikson called "generativity." It begins around age sixty, when leaders have completed their principal career leadership roles, and continues for the rest of their lives. In this phase, authentic leaders look for opportunities to spread their knowledge and wisdom across many people and organizations, even as they continue their own active learning process.

### **Phase I: Preparing for Leadership**

The first thirty years is the time to prepare for leadership, when character is formed and people become individual contributors or lead teams for the first time. As Randy Komisar, former CEO of LucasArts, says, "This is your opportunity to rub up against the world."

Very few leaders these days are making career commitments in their twenties. Instead, they use the time following college to gain valuable work experience. Typically changing jobs every eighteen to twenty-four months to diversify their experience, many young leaders have an eye on gaining admission to graduate school in business, law, or government. Even some who complete their master's degrees prefer individual contributor roles in consulting or finance before committing to a specific company or industry.

Stanford Business School professor Joel Peterson, former managing partner of real estate developer Trammell Crow, offers a challenging view of this phase:

*You're in a self-absorbed decade, asking yourself, "What are my strengths and weaknesses, how can I get ahead, how can I impact the world?" It's all about you. But once you get out there and start to do things that matter and develop relationships with people, you find that you're no longer just managing your résumé.*

This self-absorption is a natural phase of development, as the measures of success in your teens and twenties are based primarily on what you accomplish as an individual. Your performance determines what schools you are admitted to and how well you do in your initial jobs. Here's how Randy Komisar described what comes next:

*We begin life on a linear path where success is based on having a clear target. Life gets complicated when the targets aren't clear anymore, and you have to set your own targets. By rubbing up against the world, you get to know yourself. Either do that, or you're going to spend your life serving the interests and expectations of others.*

He acknowledges that the start of the journey is particularly hard for young people. He tells his students that life is not in their control. "They look at me and say, 'Hey, man. All I want to do is get a good job, buy a car, have a house, get married, and have kids. Just get out of my way.'" Komisar says he wishes life were so simple. He tells them:

*Let me just plant this seed. Keep it alive and come back to it in ten years, but don't flush it. I'm not asking you to follow my path. I'm only challenging you to ask yourself the question from time to time, "What do you want out of your life?" At some point it's going to be relevant, and I want to empower you for that time.*

**Jonathan Doochin: Pay It Forward.** At twenty-three, Jonathan Doochin was the youngest leader we interviewed. In his senior year of college he created Harvard's Leadership Institute as an umbrella



organization for the more than two hundred student organizations on the campus. As the founder, he organized programs to facilitate the development of young leaders.

Doochin traces his passion to help others to an experience he had in third grade, when he could not spell “surprise” during a spelling bee. “The kids made fun of me. I felt like a total failure.” After he was diagnosed with dyslexia, his parents worked with him on homework three to five hours every night, while his fifth-grade teacher mentored him daily. “Miss Jackson’s interest made me believe I could do anything,” he explained. “Without her faith and my parents’ dedication, I would have never gone to Harvard.”

As a result of this experience, Doochin developed a personal philosophy of “pay it forward” that guides his leadership today. He believes those he affects directly will pay it forward to a handful of others, and over time the cycle will compound to help countless people. “I can never directly repay all those along the way who helped me, but I can have a positive impact on those coming behind,” he said. “You don’t have to be CEO to make an impact. You can do it every day, starting with your next-door neighbor. Leadership happens at every stage of your life.”

***Ian Chan: Creating a Scientific Revolution.*** Ian Chan is another young leader who discovered his passion to lead at an early age. As his college graduation approached, he knew he wanted “an opportunity that would get me excited to jump out of bed every day and go to work.” After uninspiring experiences in investment banking and private equity, he and his younger brother got excited about the human genome revolution.

Starting a cutting-edge company that could revolutionize medicine, the Chan brothers founded U.S. Genomics to deliver personalized genomics on a broad scale. As their advisers, they attracted noted scientists like Craig Venter, who originally mapped the human genome, and Bob Langer, a renowned technologist. Starting with a \$100,000 credit card loan, they subsequently raised \$52 million from venture capitalists, several of whom joined their

board of directors as the Chan brothers gave up more than half their ownership.

Over the next five years the company's work attracted attention in the scientific community and venture capital world and became the pioneer in its field. When the founders presented the company's exceptional performance in December 2001, the board gave them a standing ovation. Four months later, the Chan brothers were shocked when the board told them that they were being replaced by a new CEO. "Even to this day, I have no idea why this happened when things were going so well," he said.

*You put your heart and soul into it for many years and then boom, it's all gone. It was gut-wrenching to have something you created, believed in deeply, and made incredible sacrifices for, taken away from you. You still have some shares, but you're not part of the enterprise anymore with its mission you believe in. At first, I was in denial and wanted to continue fighting the battle, but I felt helpless.*

*In hindsight, it was a very rich experience for five years that I can build on for the next journey. I had been working crazy hours and was very tired. I didn't have a personal life and needed a more balanced approach. To regroup, I spent two years getting my MBA. That provided time for self-reflection and opportunities to interact with some of the world's top business leaders. I realized I was still fortunate to have my health, family, and the privilege of living in a free country. These should never be taken for granted.*

*I recognized my heart is still in entrepreneurship and biotechnology. There are so many untreatable diseases today that provide the opportunity to make a broad impact. That's why I'm now starting another company that can improve health care through technology and innovation.*

Ian Chan appears to be a victim of his own success. As the potential of U.S. Genomics became apparent to the venture capitalists that funded the venture, they decided they needed a more experienced executive to lead it. Yet for all the heartache and pain,

Chan had an invaluable experience that will be formative to him on his leadership journey. Unfortunately, fear of failure keeps many young leaders from jumping into opportunities like he did. Young & Rubicam CEO Ann Fudge offered a different point of view, noting, “Struggle and tough experiences ultimately fashion you.”

*Don't worry about the challenges. Embrace them. Go through them even if they hurt. Tell yourself, there is something to be learned from this experience. I may not fully understand it now, but I will later. It's all part of life, and life is a process of learning. Every challenging experience develops your core of inner strength, which gets you through those storms. Nothing worth doing in life is going to be easy.*

## **Phase II: Leading**

The second phase of your leadership journey begins with a rapid accumulation of leadership experiences and it culminates in the fifties, when leaders typically reach their peak leadership. In between, most leaders go through a crucible, a difficult period at work or at home that tests them to the core. The result is a transformation of their understanding of what their leadership is all about, followed by a rapid acceleration of their development.

Many leaders express a strong drive to gain experience in leading early in their careers. In contrast to many business school classmates who started as consultants or investment bankers, Wells Fargo's Kovacevich just wanted to run something when he got out of school: “My goal was to find a company that would give me the opportunity to run a business as quickly as possible.”

Dan Schulman, Virgin Mobile USA's CEO, compared accumulating experiences to the weight lifting he did when he played high school football. “Leading a company is like doing multiple repetitions of three-hundred-pound weights. No one can lift three hundred pounds unless they start much lower and work their way up,”

he says. “If they don’t have their muscles in shape through a variety of experiences, they will be crushed by it.”

In Schulman’s view, every experience prior to becoming CEO helped him build muscle. “I never viewed them as a steppingstone to the next rung on the ladder,” he said.

*You need those early experiences to learn the lessons that will help prepare you for challenges later in your career. Those who move up the ladder too quickly find themselves in a precarious place. They think they are heroes, but when real challenges and the realities of failure hit them, they’re unprepared to deal with them.*

### **Martha Goldberg Aronson: Taking on Added Responsibility.**

After several successful experiences, emerging leaders are often identified as having the talent to lead across a much wider business spectrum, and their companies test them in more challenging settings.

In her early years at Medtronic, Martha Goldberg Aronson developed a reputation as a high-potential leader. She joined the company’s acquisitions group and was selected two years later as a Medtronic Fellow to attend business school. Rejoining Medtronic as a product manager, she was soon promoted to run a start-up venture.

When management consolidated Aronson’s venture with an existing business, she became general manager of the business. As her business flourished, Aronson’s career prospects brightened. One day she was home alone with her two children when the phone rang. Medtronic’s head of human resources asked her, “What would you think about an international assignment?” Aronson recalled, “I hemmed and hawed and told her this wasn’t the best day to talk about a move.”

Aronson was skeptical about whether an international move was right for her career or her personal life. Being far from the support of her parents and older siblings with a baby and a toddler was not part of her game plan. She also balked at walking away from her current job before it was done and worried about the impact on

her husband's career. After discussing the European opportunity with her mentors and her husband, she decided to take the job because she realized it was a special opportunity to work overseas and broaden her understanding of how business is done there.

Aronson flourished in the European environment. She gained significantly from the daily exposure to the wide range of cultures in her region, and she led her multi-country team to produce significant results. She took the risk when an opportunity came, willing to learn more about leading in a complex geographic environment without knowing the next step in her career. After three years, she was recalled to Medtronic headquarters to head investor relations, just as she was having her third child.

***Jeff Immelt: Hitting the Wall.*** Many leaders go through a crucible when they have an experience at work that dramatically tests their sense of self, their values, or their assumptions about their future or career. I call this “hitting the wall,” because the experience resembles a fast-moving race car hitting the wall of the track, something most rising leaders experience at least once in their careers.

General Electric CEO Jeff Immelt was a fast-rising star in his mid-thirties when he faced his toughest challenge. Asked to return to GE's plastics business as head of world sales and marketing, he had reservations about accepting the move because it was not a promotion. Jack Welch told him, “I know this isn't what you want to do, but this is a time when you serve the company.”

Facing stiff competition, the division had entered into several long-term, fixed-price contracts with key customers, including U.S. automakers, when a spike of inflation sent the division's costs soaring. Immelt's operation missed its operating profit target by \$30 million, or 30 percent of its budget. He tried to increase prices, but progress was slow, as Immelt's actions caused its crucial relationship with General Motors to deteriorate.

This only intensified the pressure on Immelt to produce results and forced Welch to resolve the issues by talking to GM CEO Roger Smith. Welch did not hesitate to reach down to pepper

Immelt with questions by phone. Immelt recalled the year as a remarkably difficult one until he and his team could start to turn the business around.

*Nobody wants to be around somebody going through a low period. In times like that you've got to be able to draw from within. Leadership is one of these great journeys into your own soul.*

Jeff Immelt was under enormous pressure to deliver immediate results, but he withstood the pressure to compromise and took the long-term course of getting the business back on track. Immelt's success in leading this turnaround prepared him to become Welch's successor, where he has faced much greater pressure but has stayed the course of his True North to build GE for the next decade.

These journeys illustrate that reaching your peak leadership these days is anything but a straight line to the top. In truth, it is the difficult experiences that prepare you to lead your organization through the challenges you will face.

### **Phase III: Giving Back**

Two thousand years ago Roman statesman Marcus Cicero declared that "old age is to be resisted." Today the last thirty years of a leader's journey can be the most productive and rewarding of all. Many leaders are bypassing retirement to share their experience with multiple organizations. They serve on for-profit or nonprofit boards, mentor young leaders, take up teaching, or coach newly appointed CEOs.

Lord John Browne, who has led British Petroleum to new heights in his eleven years at the helm, agrees with this assessment. In announcing he would step down as CEO at the age of sixty, Browne said, "I don't believe in retirement. The idea seems a touch out of date." He suggested he would be looking for an interesting new position with a purpose. "I'm hooked on business," he concluded.

Ninety-three-year-old Zyg Nagorski was the senior leader interviewed for our study. After running the Aspen Institute's Executive

Programs for a decade, Nagorski stepped aside at seventy-five. Then he and his wife started the Center for International Leadership to conduct values and ethics seminars for executives. Nagorski's probing style caused many leaders to rethink their values and how they would respond in complex situations. Eighteen years later, he is still going strong.

### **Exploring Leadership After CEO: My Story**

Along with Warren Bennis, Nagorski is one of my role models for Phase III. Early in life I adopted the philosophy that "you only go around once in life," so I wanted to have as many meaningful experiences as I could. I observed many CEOs who stayed too long, never groomed a successor, and retired without anything to do. My goal was to lead a major organization doing important work, turn it over to my successor, and then move on.

Elected CEO of Medtronic in 1991, I told the board that I should not serve more than ten years, because that was sufficient time to accomplish the organization's goals and develop a well-qualified successor. I was fortunate to have Art Collins to lead Medtronic when I stepped aside in 2001 at age fifty-eight. Not having a clear vision of what I wanted to do next, I spent the first six months exploring wide-ranging opportunities in government, education, health care policy, and international relations. Each field was interesting, but none seemed just right.

Meanwhile, I stayed active in the business community by serving on the boards of Goldman Sachs, Novartis, and Target and now ExxonMobil. Viewing these corporations from the board's vantage point has been a superb education into leaders in the vital industries of financial services, health care, retail, and energy and the challenges they face.

In 2002 Penny and I moved to Switzerland for a "working sabbatical," as I had a joint appointment to teach leadership at two leading Swiss universities. We found living in Switzerland was very stimulating, although it was hard for Penny to be so far from her

work. I vividly recall my first day in the classroom, when I met ninety MBA students from thirty-five countries. It was a scary feeling to stand in front of these very bright and demanding students. Talking about Medtronic was easy, but leading a case discussion on Intel that engaged all ninety students was an enormous challenge. But I found I loved teaching and also enjoyed counseling students and hearing their dreams, hopes, and fears.

While in Switzerland, I began writing *Authentic Leadership*, an experience that was difficult but rewarding. Returning from Switzerland, I became a full-time professor of management practice at Harvard Business School, following a four-month stint at Yale School of Management. At Harvard I teach “Leadership and Corporate Accountability,” the new required MBA course, and an elective I created, “Authentic Leadership Development,” whose content is a forerunner of this book.

At this stage of my journey I feel fortunate to have these opportunities for continued growth and interaction with outstanding leaders at all stages of their journeys. And I have discovered a new purpose for my leadership: to help develop the next generation of authentic leaders.

Regardless of where you are in your journey—at the top of your organization, just getting started, or looking for a new challenge—*every leadership experience you have will enable you to grow and to discover your authentic leadership*. Just as you conclude one portion of your journey, another opportunity will emerge to take your learning from previous experiences and apply it to a new situation. If you embrace your story, your leadership journey never ends. Yet along the way many leaders stumble and get derailed. This is a risk that all leaders face. Before exploring how you become an authentic leader, let’s explore why some leaders lose their way.

*Note to the reader: Before going on to Chapter Two, you may want to complete the Chapter One Exercise found in Appendix C.*