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## WHY GIVING UP CONTROL IS INEVITABLE

**Y**ou may not know who Dave Carroll is, but United Airlines wishes it had never heard of him.

One March day not long ago, Carroll was a United passenger waiting for takeoff. He looked out of the airplane window and couldn't believe what he was seeing. Out on the tarmac of Chicago's O'Hare airport, he saw baggage handlers tossing suitcases, sometimes dropping them on the ground. Among the items were guitar cases—and the alarmed Carroll, an independent Canadian musician and songwriter, realized that these were *his* guitars being thrown back and forth.

Carroll called over a United flight attendant and asked her to check into what was happening outside. As Carroll related in an interview, “She physically held up her hand and said, ‘Don’t talk to me, talk to the gate agent outside.’ Everybody I talked to after that said either they were not empowered to do anything, or they didn’t care.”<sup>1</sup>

Sure enough, when Carroll landed in Omaha, his final destination, he opened his guitar case and found his beloved Taylor guitar badly damaged. Carroll was in a hurry to get to his gig, and he was booked with back-to-back with shows, so it wasn’t until three days later that he contacted United to report the damage. But United refused to compensate Carroll for the \$1,200 repair—the company had a standing policy to not accept claims more than twenty-four hours after a flight, because as time passes it becomes increasingly difficult to pinpoint responsibility for damage.<sup>2</sup> Because Carroll submitted his claim more than three days after the damage occurred, United said that it would not pay for damages that could have been caused elsewhere.

Carroll pressed his case for months but made no progress. By November 2008, nine months after the incident, he finally got to talk to someone with some decision making power. But alas, it went nowhere. The United representative explained that her hands were tied because of the policy—and politely, but firmly, said there was nothing else that United could do.

Now, if you were a frustrated, deeply wronged *musician* like Carroll, what would you do? You’d write a song about the experience! Carroll actually did more than that—he also made a music video called “United Breaks Guitars” and posted it on YouTube.<sup>3</sup> He felt better, and he really didn’t think that more than a dozen people or so would see it.

That was on July 7, 2009. Within three days, the video had over one million views, and Carroll’s anthem became a viral sensation. By the end of 2009, there had been over seven million views and hundreds of news stories about Carroll’s experience.<sup>4</sup>

Understandably, United was aghast. The company immediately reached out to Carroll, who explained that his biggest desire was

to have United's baggage damage policy changed. Tony Cervone, United's SVP of corporate communications, told me, "We engaged directly with Dave as soon as this came out, and said, 'What happened and let us understand this better.' We listened, and then we changed a couple of the policies almost immediately." Indeed, United's willingness to engage Dave Carroll helped to quell the rising groundswell of anger. Carroll posted a heartfelt video statement that explained the incident, applauded United Airlines for its efforts in reaching out to remedy the situation, and even praised the professionalism of United's employees.<sup>5</sup>

United was in a tough situation. The airline industry gets luggage and people to their destinations without a hitch most of the time, and when things do go wrong, the airlines do their best to remedy the situation. But today, all it takes is one (talented) person to replace "Fly the friendly skies" with "United breaks guitars."

## THE NEW CULTURE OF SHARING

What's really going on here? The answer, both simple and far-reaching, is that there has been a fundamental shift in power, one in which individuals have the ability to broadcast their views to the world. This shift has come about because of three trends:

- 1. MORE PEOPLE ONLINE.** Not only is the number of people going online growing, but the time they spend and the kinds of things they do online are both also multiplying. According to internetworldstats.com, 1.7 billion people globally are active on the Internet.<sup>6</sup> Penetration ranges from 6.8 percent in Africa and 19.4 percent in Asia to 74.2 percent in North America.
- 2. THE WIDESPREAD USE OF SOCIAL SITES.** These days, it's hard to find any Internet user who hasn't watched at least one video on YouTube. Adoption has been quick: in September 2006 only 32 percent of all active Internet users around the world had watched a video clip online; by March 2009 it had grown to 83 percent.<sup>7</sup> Similarly, social networking site usage has jumped, growing from

27 percent of global online users to 63 percent of all users ages eighteen to fifty-four globally. So when people go online, they are now spending a disproportionate amount of time on content that they have created themselves.

**3. THE RISE OF SHARING.** More than anything else, the past few years have been dominated by the rise of *a culture of sharing*. The activity of sharing is a deeply ingrained human behavior, and with each new wave of technology—printed paper, telegraph, telephones, and email—sharing gets faster, cheaper, and easier.

Now there's a new dimension to sharing. Until about five years ago, unless you knew how to program a Web page, sharing was limited to the number of emails you could send out. And if you sent out too many, you would start to lose your credibility.

Now widespread distribution of information online is as easy as updating your status to your friends on Facebook and Twitter, which you can access from just about any device (Web browser, mobile phone, even your TV).<sup>8</sup> And new services make it easy to upload not only text, but many different types of content: upload a photo to Flickr or a video to YouTube directly from your mobile device, or create a podcast by simply calling a phone service.<sup>9</sup> All of these new features have made sharing not only simple, but also scalable. This technological leap has given anyone armed with a mobile phone the ability to share with the world.

## GOING PUBLIC

Social media has not only empowered your customers but also given your employees new ways to collaborate with each other—a good thing—and new opportunities to publicly grumble about their jobs—a not-so-good thing. Problems that once were resolved through private channels like phone calls and emails are now played out in public. You never could control what people said over their backyard fences about your brand, your company, or your management style, but until recently the public impact tended to be minimal.

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Take, for example, what people think about their jobs. You've probably complained about your job to friends and family members, sharing with them your frustrations at work. In the past, the effect of disgruntled employees was mostly limited to their immediate circle of acquaintances.

But today, one need only go to a site like Glassdoor.com to get the inside scoop on an organization. Employees anonymously review companies and their leadership and also share their titles and salaries, in an effort to help others who may be negotiating a job or raise. Here's an example:

### **NOT A FUN PLACE TO WORK**

#### **PROS**

- Interesting technology.
- The people at our location are fantastic.

#### **CONS**

- Senior management (officer level) does not communicate in a constructive way.
- It is obvious that senior management does not value the employees of the company.
- Since our company was acquired by Company X, morale and productivity have plummeted.

#### **ADVICE TO SENIOR MANAGEMENT**

- Allow business units more autonomy in day-to-day operations. Set goals for business units, then provide the freedom and the resources to get the job done.
- Recognize and reward productive employees.

## SAYING GOODBYE TO CONTROL

Business leaders are terrified about the power of social technologies, but they are also intrigued and excited about the opportunities. I've spoken with hundreds of leaders about their desire to tap into the power of social technologies to transform their businesses. They like the idea of being able to hear instantly what their customers are saying about them. They're curious about the ability to obtain new ideas from customers or to lower their support costs by having customers solve each others' problems.

A few have actually taken the steps to embrace social technologies and are doing well; many others began the journey enthusiastically, only to fail. There is neither typical rhyme nor reason in these successes or failures—the size of the company, industry, or even prior experience with social technologies did not dictate the outcome. Instead, my research shows, the biggest indicator of success has been an *open mind-set*—the ability of leaders to let go of control *at the right time, in the right place, and in the right amount*.

The first step is recognizing that you are not in control—your customers, employees, and partners are. If you are among the many executives who long for the “good ol' days” when rules and roles were clear, indulge yourself in that kind of thinking for just a few more minutes—then it's time to get to work. This is a fad that will not fade, but will only grow stronger, with or without you.

## LETTING GO TO BUILD RELATIONSHIPS

At this point, you may be thinking that engaging with these newly empowered people is too risky, that your organization isn't ready to deal with unruly mobs. Or as one executive commented, “It is one thing for customers to be aiming a gun at me. It is another thing to invite them onto my site and hand them the gun myself.”

The reason to get proactive about giving up control is that by doing so you can actually regain some semblance of control. It seems counterintuitive, but the act of engaging with people, of accepting

that they have power, can actually put you in a position to counter negative behavior. In fact, it's really the only chance you have of being able to influence the outcome.

The key is to think about the challenge of letting go as a relationship issue. Management gurus James Kouzes and Barry Posner, the authors of *The Leadership Challenge*, write, "Leadership is a relationship between those who aspire to lead and those who choose to follow."<sup>10</sup> At a time when customers and employees are redefining how they make and maintain relationships with social technologies, it's high time that organizations rethink the foundations of business relationships as well.

To understand how these new relationships will work, think about the most fulfilling relationship you have in your personal life. Do you control it? Do you dictate the terms and expect the other person to follow you blindly? Or do you continually invest time and hard work and endure many trials to grow and develop that relationship?

Business is no different—it too is built on relationships. There are relationships between individual customers and the organization as well as relationships with employees and partners. And leadership is defined by the relationship crafted between a leader and the people who decide to follow that person—happily or unhappily. In the context of relationships, how much control do you truly have? You can't make customers buy your products (contrary to what your marketing department may think). You can't make your employees support a strategy; they can simply act in a passive-aggressive manner and choose not to follow.

Face it—you're not in control and probably never really were, even though a recent marketing conference promised to teach attendees how to "take back control."<sup>11</sup> So what are you really letting go of? In order to be open, you need to let go of the *need* to be in control. But to fill that void, you need to develop the confidence—to develop the trust—that when you let go of control, the people to whom you pass the power will act responsibly.

## **MOVING THE NEW RELATIONSHIPS FORWARD**

It's clear that we need to think about relationships and leadership in a new way. Companies are used to broadcasting messages to customers, focused on driving a specific action or transaction. Or they tell employees what work they should be doing, or they dictate the terms of how partners will work with them. Although there have always been ways for customers, employees, and partners to communicate back and forth with the company, those channels were minor compared to the volume and weight of the messages being issued by the company. The result: many traditional business relationships lack depth and real engagement. When asked to describe the nature of relationships with customers, many businesspeople will use words like "short-term," "transactional," and "impersonal."

Now imagine a new type of relationship, one built on multiple shared experiences—a relationship in which trust is developed and flourishes. Wouldn't it be great if you could describe your business relationships with words like "loyal," "engaged," and even "passionate" and "intimate"?

Not only is this possible, but it's happening today. More and more companies are realizing that in this new open world customers, employees, and partners are taking on roles different from that old one—the passive recipient of company missives. They now feel empowered because of a culture of sharing that allows them to spread their thoughts far and wide. Thanks to technology, they are becoming engaged with each other and with those organizations that embrace relationships in a deeper, more meaningful way.

## **YOU'VE SEEN IT ON AN INTERNATIONAL SCALE**

The most telling example of this new type of relationship and engagement was seen in Barack Obama's presidential election campaign in 2008.<sup>12</sup> From the beginning, it was designed to embrace a grassroots movement, which was an outgrowth of Obama's community organizing experience. It also prioritized being open about the strategy, with campaign manager David Plouffe laying out the game plan



in multiple venues—including YouTube.<sup>13</sup> The logic: the McCain campaign already knew what the strategy was, so the Obama people reasoned they might as well make known the “master plan” so that people could support it in their own way. From the importance of winning Iowa to sharing the detailed budget of how millions of dollars would be spent in Florida, again and again the Obama campaign was open about what it was doing on the campaign.

Obama and his team were comfortable with letting go of control because they spent an inordinate amount of time making sure people were aligned not only with the goal (to get Obama elected) but also, and more important, with the underlying *values* of the campaign. Michael Slaby, the CTO of the Obama campaign, shared with me, “If you do a good job of teaching your values and mission to the people at the bottom of your organization, then once you give them control, they will do the right things with it.” With a relatively unknown candidate, the team realized that they needed to help people get to know Obama as a person, so they created a private social network and tapped sites like Facebook and MySpace to extend the campaign into a personal space.

Core values of the campaign were respect and humility, which meant that when someone engaged with campaign staff or volunteers, they needed to reply. “These are basic things that you do when you are in a relationship with another person,” Slaby said. “Companies and campaigns typically don’t dialogue well, but I think we did a good job of participating with people across all the environments in which we were working.”

We all witnessed the results of that new personal relationship as Obama’s campaign activated people who had been silent watchers of presidential politics for decades. Some people shared their enthusiasm by putting a virtual sticker on their social networking profiles. Others set up profiles on MyBarackObama.com and asked friends and family to donate. And a few created videos as their own testament to the campaign, ranging from the frivolous (like Obama Girl) and fun (“Wassup 2008”) to the moving, as exemplified by rapper

will.i.am's video, "Yes We Can," which drew millions to the campaign.<sup>14</sup> The Obama campaign did more than just deploy technology in a savvy new way; it used technology to reach out and create a relationship where there wasn't one before by welcoming people closest to the front lines who were previously disenfranchised in the political process.

## THE LEADER'S DILEMMA

During the campaign, Obama was able to manage the balance between letting go and maintaining control, but as evidenced in the first year since taking office, running a country openly is vastly different from running a campaign. Balancing letting go with being in command has been a problem that harkens back to the very start of the information age, when the printing press allowed people to transfer and share information at scale for the first time. Education was restricted because church leaders and aristocrats worried that if the lower classes learned to read they could become dissatisfied with their lot and organize themselves.

But once books became more widespread, the people in power found it more and more difficult to maintain absolute control. Professor Samuel Huntington, in *Political Order in Changing Societies* (1968), wrote about the "king's dilemma" to illustrate the challenge of ruling an enlightened, connected populace.<sup>15</sup> A forward-thinking king, who gives rights and freedom to serfs and makes them citizens, may end up abdicating his throne as these citizens agitate for more and more freedom over time. But a worse fate awaited those who clamped down on reform and repressed the populace; the pent-up demand for power, coupled with new ways for people to self-organize and communicate, led to an explosive reaction, usually with the result of the leader losing not only his throne but his head as well.

Many companies today face the same dilemma in that they are structured in classic command-and-control organizations that were set up in the post-war industrial age. These centralized hierarchies worked well to organize complex supply, manufacturing, and distribution processes that relied on consistent methods and precise

controls to maintain quality. Although teams could have some discretion on how to get things done, good management meant strict adherence to predetermined measures of success. In addition, the high cost of communications and information meant that only the most precious, important information moved up and down corporate hierarchies—leaders relied on a clear “chain of command,” and any information that flowed outside of that chain was slapped down.

Two things have happened to put pressure on this traditional mode. First, the parameters of success have changed from process control to innovation. You simply can’t “Six Sigma” your way into new markets. Instead, organizations need to develop the organizational flexibility to adapt to fast-changing situations. Second, businesses are now more likely to be delivering services than manufacturing objects. A skilled and motivated workforce on the front lines quickly chafes under strict limitations and hierarchies, unable to do what they think is needed because of headquarters’ disconnected notions of what really works in the market.

A long line of management gurus have studied and recognized the limitations of this organizational structure. In 1946, Peter Drucker described, in *Concept of the Corporation*, the strong management approaches of General Motors, but also recommended that the company decentralize authority because the people with the most information and expertise weren’t being heard.<sup>16</sup> Robert Greenleaf’s “The Servant As Leader” essay in 1970 turned leadership on its head, positioning executives as the humble stewards of the corporation, not the almighty heads of them.<sup>17</sup> And in his 1982 book *In Search of Excellence*, Tom Peters encouraged organizations to replace top-heavy management with employee- and customer-led teams.<sup>18</sup>

But despite the admonitions of these respected management experts, the call for change has so far gone largely unanswered, because it hasn’t been practical. Executives often ask, in so many words, “I’m responsible so I have to have control . . . if you’re telling me to give up control, how can I manage the discrepancy between control and results?” The problem is, these leaders are asking the wrong

question. They should instead be asking, “How do I develop the kind of new, open, engaged relationships I need to get things done?”

## THE NEW RULES OF OPEN LEADERSHIP

What’s changed today is that new technologies allow us to let go of control and still be in command, because better, cheaper communication tools give us the ability to be intimately familiar with what is happening with both customers and employees. The result of these new relationships is *open leadership*, which I define as:

*having the confidence and humility to give up the need to be in control while inspiring commitment from people to accomplish goals*

Open leadership fosters new relationships—and to understand and govern how these new relationships works, we need new rules like the following:

- 1. RESPECT THAT YOUR CUSTOMERS AND EMPLOYEES HAVE POWER.** Once you accept this as true, you can begin to have a real, more equal relationship with them. Without this mind-set, you will continue to think of them as replaceable resources and treat them as such. And if you ever need a reminder of what that customer and employee power looks like, just go read a social media monitoring report on your company from a vendor like Radian6, BuzzMetrics, or Cymfony—you’ll quickly be humbled by the power of these people.
- 2. SHARE CONSTANTLY TO BUILD TRUST.** At the core of any successful relationship is trust. Trust is typically formed when people do what they say they will do. But in today’s increasingly virtual, engaged environments, trust also comes from the daily patter of conversations. The repeated successful interchange of people sharing their thoughts, activities, and concerns results in relationship. New technologies like blogs, social networks, and Twitter remove the cost of sharing, making it easy to form these new relationships.

**3. NURTURE CURIOSITY AND HUMILITY.** Often, sharing can quickly turn into messaging if all of the outbound information isn't accompanied by give and take. Expressing curiosity about what someone is doing and why something is important to that person keeps sharing grounded and focused on what other people want to hear, balanced with what you want to say. The natural outgrowth of curiosity is humility, which gives you the intellectual integrity to acknowledge that you still have a lot to learn, and also to admit when you are wrong.

**4. HOLD OPENNESS ACCOUNTABLE.** In relationships, accountability is a two-way street—it makes clear the expectations in the relationship, as well as the consequences if they are not met. So if your product causes someone problems, what's the first thing you should do? Apologize and figure out how to resolve the problem. Likewise, if you give someone the ability to comment on your site and they misuse it, they should understand that you will deny them future access.

**5. FORGIVE FAILURE.** The corollary to accountability is forgiveness. Things go wrong all the time in relationships, and the healthiest ones move on from them, leaving behind grudges and blame. This is not to say that failure is accepted; rather, that it is acknowledged and understood.

You'll find that you are not alone in your concerns, nor unique in your belief that there is an upside to letting go. Find out how other people responded to these questions by going online to [open-leadership.com](http://open-leadership.com). You'll have the opportunity there to share your own concerns and hopes as well.



We've seen some of the opportunities and dangers of this new, open world. To better understand the threats and opportunities, in the next chapter I'll define in greater detail exactly what I mean by being open.

## **ACTION PLAN: UNDERSTANDING THE CHALLENGES OF OPEN LEADERSHIP**

With these rules in mind, you can ask yourself the following questions. They will give you a starting point, as well as a preliminary roadmap to help you reach where you want to go.

- What are your biggest challenges and fears when it comes to your customers or employees using social technologies?
- How would you describe the nature of the relationship today with your customers? With your employees? With your partners?
- How would you like those relationships to look and feel two years from now? What are your biggest fears about giving up control?
- What is the one thing about which you are most nervous about giving up control?
- Where do you see the greatest opportunities in letting go and being open?