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WHOLE LEADERSHIP VERSUS PARTIAL LEADERSHIP

To be a leader in today's business environment, you need to use your head, demonstrate heart, and act with guts. This is not an unrealistic objective, in that most people are fully capable of exhibiting all three qualities in given situations. Unfortunately, the majority of executives have either come to rely on one capacity or they live in organizational systems that do not reward or reinforce them to develop others. They remain partial leaders, even when their organizations require whole ones.

Why this is so is a combination of history and training. Historically, business leaders have led with their heads—the notion being that if you analyze a situation, absorb the data, and decide among rational alternatives, you can be a strong leader. Generations of MBAs have been trained using these traditional tools. It is not surprising, therefore, that CEOs often have been selected because they are the smartest people in the room. Organizations choose great thinkers as leaders in the same way that patients choose great diagnosticians as doctors; in both cases, little emphasis is given to bedside manner. Business school executive programs have reinforced the emphasis on cognitive leaders by focusing on case histories and the mastery of strategic and analytical competencies.

As important as the head is to leadership, it is insufficient for the demands leaders face today. The inability to exhibit compassion and display character, for instance, alienates many employees and causes them to disengage, sometimes executing a great strategy but in an uninspired way that lacks creativity and fails to generate

commitment. The lack of guts may mean that a leader cannot make tough but necessary decisions regarding everything from people to product lines, which inadvertently creates a culture that is rife with indecision and lacks energy and passion.

Despite the fact that most organizations continue to emphasize the head over heart and guts, we have known for a long time that effective leaders need more than a quick mind and strong analytics. Research over the past several decades has shown this time and time again. In the nineties psychologist Bob Hogan reviewed all of the leadership research to date and concluded that personal characteristics have a strong connection to leadership effectiveness (Hogan, Curphy, & Hogan, 1994). Among the qualities that distinguish the best leaders from others are emotional maturity, the capacity to create trust, and the flexibility to work with a range of different types of people. In other words, the best leaders have heart, in addition to their other strengths. Effective leaders show tenacity, persistence, and the ability to overcome obstacles that get in their way—what we would refer to as guts.

Here are some of the other things we know from the study of leadership:

- Ask people what they want in their leaders, and they come up with words like *intelligence*, *honesty*, *determination*, and *aggressiveness*, as well as the ability to get along with people—qualities that fall neatly into our view of head, heart, and guts.
- The way people are perceived as leaders relates not only to how smart they are but to other qualities as well. People are more likely to be perceived as leaders if they have the right combination of what we're calling head, heart, and guts.
- Leaders are more likely to derail if they are untrustworthy, overcontrolling, and unwilling to make tough people and business decisions, and if they tend to micromanage their people. In other words, people *without* head, heart, and guts have a greater likelihood of derailing than those who do have these qualities.

So the idea that leaders must be able to reach beyond their cognitive ability to demonstrate other capabilities is well documented, even if it isn't practiced as frequently as it should be. Of course, a leader who relies primarily on heart or guts is equally ineffective. Most people who achieve senior-level leadership positions in business today, however, are head-oriented individuals; the heart- or guts-oriented managers tend to be stigmatized or eliminated before they make it to a top position, or they are relegated to a function best-suited to their orientation (that is, heart leaders historically have been shuttled off to staff or HR positions in "support" roles).

Integrating head, heart, and guts into leadership is both art and science. Later, we will look at what this integration entails, but first we would like to make the case for why whole leadership is so critical today.

Factors Driving This Leadership Trend

We have seen a surprisingly large number of very smart and extremely savvy CEOs fail spectacularly in recent years. Dirk Jagger at Procter & Gamble, Mike Miles at Philip Morris, and Phil Purcell at Morgan Stanley were all extremely intelligent, smart individuals. (And they were honest ones.) Though some of their failures resulted from events beyond their control, many can be traced back to the CEOs' singled-minded approach to leadership. As driven and determined as they were, their lack of empathy, courage, instinct, and willingness to acknowledge their own vulnerability derailed them and, in some cases, their organizations.

In the past, they most likely would not have derailed. Until relatively recently, partial leaders could not only survive; they could thrive. Before world markets became more transparent, virtual, and volatile, one-dimensional leadership often sufficed. It was not unusual to find senior executives who ran companies through command and control. Conservative CEOs who eschewed risk were more the rule than the exception, and leaders who empathized and emoted were deemed "soft."

Things have changed. Specifically, some of the drivers of the change to whole leadership that we have observed are:

Global Interdependence

In an article titled, “The Upwardly Global MBA,” Nigel Andrews and Laura D’Andrea Tyson report the results of a survey of one hundred global leaders about what young executives need to succeed today. Andrews is a governor and Tyson is the dean of the London Business School, and their survey was prompted by their concern that they were not teaching MBAs what they needed to learn in order to be effective in a global marketplace. According to survey results, their concern was justified. Global executives believed that their focus on content—on teaching students what they needed to know—was insufficient. Andrews and Tyson reported that future global leaders will also need what they term “skills and attributes” as well as knowledge. These skills and attributes include the skills of giving feedback, listening, and observing. Global companies need leaders and managers who thrive on change and whose actions reflect the highest level of integrity (attributes). Many of the qualities they describe translate into heart and guts, as well as a “broader-minded” head.

Their insights apply, especially when you consider the implications of running or working in a global enterprise. First, an interpersonal orientation toward business is prevalent in most countries outside the United States. The character and personality of leaders count for as much as the products and services they sell. If you do business with other countries, you must display certain qualities (respect, humility, trust) that leaders of foreign companies unconsciously expect and value. Heart, therefore, is a critical attribute.

Second, if you are operating globally, the risks are naturally greater than if you are a domestic organization. The complexity and ambiguity involved in international transactions or working in a different culture are significant, and they require making decisions without the usual degree of certainty that they are the right ones

experienced in a familiar home environment. The best global leaders are comfortable operating in an ambiguous environment, able to make risks pay off, based as much on their instinct and relationships as their analytical skills. The volatility of social, economic, and political conditions in a global marketplace demands leaders who can live with and even capitalize on this volatility. Leaders who become risk-averse in the face of uncertainty and changing conditions do not make effective global leaders.

Third, the global senior leader cannot be focused just on technical issues operations and strategy. People in leadership positions with global companies fail when they are limited to their areas of specialization. When American business executives dine with European leaders, for instance, their point of view and understanding must not only be informed on business issues, but encompass social, political, and economic trends as well. These leaders must also be open-minded and able to appreciate diverse cultural values and patterns of behavior.

Increased Complexity of Execution

A widely held myth is that people who “get things done” in organizations operate primarily out of their heads, that they are no-nonsense, hard-driving automatons who drive and measure everything in order to achieve stellar results. Although execution does require drive and focus, Larry Bossidy and Ram Charan have provided ample evidence that execution also involves strong people skills and a willingness to roll the dice. In their books, *Execution* and *Confronting Reality*, they make it clear that emotional intelligence plays a significant role in getting things done, that the ability to encourage others to accomplish tasks is essential. They also examine courage as a quality of people who accomplish ambitious objectives, noting that pulling the trigger on tough issues requires more than a little courage.

The gestalt of execution is more complicated today than it was years ago. In the past when power was more centralized, CEOs and

other organizational leaders could issue directives and expect them to be implemented with speed and diligence. Similarly, the environment in the past was less dominated with global companies, constant technological change, and other potential obstacles to accomplishing objectives. Today, execution often requires a mixture of power and influence, of risk and analysis, of explanation (or winning people's minds), and of inspiration (or winning their hearts).

Growth

Growth requires more than a good strategy these days. As astute as a strategy might be or as attuned to customer insights and market trends, it rarely succeeds on its strategic merits alone. An imposed strategy is one that may be implemented with efficiency but not with enthusiasm, energy, innovation, or effectiveness. It is incumbent on leaders to get people excited about a growth strategy, to convince them to believe in leadership's vision for the future of the company, and to feel that they will be able to contribute to the realization of that vision. People who work for organizations are much better informed than ever before through the Internet, shorter job tenure, and continuous e-mail exchange; they are also more cynical and less trusting. They will not provide the commitment, extra effort, and innovative thinking that a commitment to growth requires unless they believe in the vision, and it is up to leaders to help create this belief and commitment.

Growth is also about risk. Few companies have the luxury in the twenty-first century of competitive advantage through superior products, market control, or pricing power, and very few sure things exist when it comes to expansion strategies. While companies may launch an acquisition or introduce a new product with confidence, they also are taking risks with every growth initiative. Conservative leadership may avoid such initiatives, knowing that the odds of success are worse than they were ten years ago; they may prefer strategies that offer much less growth and much less risk. Stagnation is a real threat to companies that adopt this mind-set, making it imper-

ative that leaders are willing to support and implement growth strategies they truly believe in.

Need for Innovation

Creativity has been defined as a unique perspective on a situation that yields a better solution. *Innovation* has been defined as driving this unique perspective through an organization and changing the way the organization performs. The former may have been fine years ago, but the latter definition is the one leaders must embrace today. Creative leaders who use their heads and who come up with better solutions are fine, but they often find their creativity has little impact on how a company performs.

Companies today are filled with breakthrough ideas that often break apart as they move through the process from origination to implementation. They become nothing more than brief, bright lightning bolts thrown into the darkness. More prosaically, they fail to do anything more than create initial excitement about a promising new product, service, process, or policy and then dissipate among unmet expectations.

The challenge today is to create a climate of innovation, and this cannot be done unless both heart and guts leadership are combined with head leadership. Knowledge management systems are of little value without accurate and open knowledge exchanges that cross internal boundaries. In many companies, people keep good ideas to themselves, fearful of sharing their creative work for fear they won't receive credit or can't control their implementation. Some people remain reluctant to share ideas with people in other functions or offices or at levels different from their own, because they have poor relationships or don't trust others to protect the ideas and use them wisely.

Companies today are seeking leaders who can create environments where people are not inhibited by fears and concerns, where they are eager, not only to share their own point of view but are receptive to hearing and integrating the ideas of others, even from

sources outside their own companies. Companies are also seeking leaders who can impose discipline on the process of idea-generation. Frequently, in a misguided search for innovation, leaders embrace all new ideas, fearful that rejection will dissuade people from contributing. Or the ideas generated by those with position and authority are favored over those developed through systematic discovery. It takes guts to kill ideas that deserve to be killed, to drive truly useful new approaches to the next level and reject those lacking in potential. By the same token, leaders also need the courage to tolerate reasonable failure and to learn from their mistakes. Some terrific ideas end up failing, and leaders must communicate that a certain amount of failure comes with the innovation territory.

Rising Expectations

Most employees expect more than a one-dimensional leader. As people working in companies become much more sophisticated and more aware of leadership and development issues through the traditional media and the Internet and dialogue with colleagues and friends, employees set higher standards for their leaders. As recently as a decade ago, the majority of the white-collar employee population was largely quiescent. They expected to be paid a modest salary, receive standard benefits, and keep their job for years, as long as they did what they were supposed to do. Few expected to be coached or developed; fewer still expected their leaders to understand them, to be intuitive, to create energy, or to break down barriers and facilitate the flow of information.

Today, largely due to the Internet and other technologies, employees are much more informed and expect much more than directions and decisions. They want to know why things happen. They expect intelligence or competence in their leaders. They realize that leadership decisions can directly affect their bonuses, raises, and the job they may or may not have tomorrow; they have witnessed seemingly invincible corporations fail because their leaders

were myopic, detached, or dishonest. As a result, they seek to work for leaders who have a broader range of abilities than in the past.

Just as important, they desire leaders who can navigate in an environment of danger and unpredictability. Once-indomitable industries such as pharmaceuticals, financial services, and consumer goods that have enjoyed years of growth and profitability are suddenly threatened by new competitors, new regulations, and new technologies. Terrorism, security, hurricanes, natural disasters, and energy shortages add to the competitive challenge for all companies. It can be scary everywhere you look, and people need leaders they can trust to help them move forward. Employees naturally feel more vulnerable than ever before, which is why they expect leaders to be more than brilliant strategists; they look to their leaders to help protect them, to inform them, and to have the strength of character to do the right thing.

Anatomy of a Whole Leader

Who are the whole leaders of today? They are all around us. When we think of a whole leader, former New York City mayor Rudy Giuliani immediately comes to mind. After 9/11, he displayed a remarkable combination of head, heart, and guts—remarkable in large part because the heart side of his leadership personality had rarely emerged in the past. He was known as tough and smart, but if anything, he was also viewed as a bit heartless because of his unrelenting crackdown on crime, his well-publicized divorce proceedings, and his relentless ambition.

In the glare of publicity following the terrorist attack, however, Giuliani displayed his emotional connectedness and vulnerability to the world. Not only was he omnipresent at the scene of the crime, lending support to firemen and families of victims, but his press conferences demonstrated and elicited genuine compassion and real feeling. When one reporter asked him about how high the casualty count might go, he responded, “When we get the final

number, it will be more than we can bear.” He also displayed courage and took risks in his response to the tragedy; he limited traffic into and out of New York, even though this inconvenienced millions and irritated businesses. He was willing to say, “I don’t know” on numerous occasions—often considered a risky approach for a leader who wants to be viewed in command of a situation.

Though Giuliani is smart and consistently demonstrated his ability to analyze and think clearly about the problems he faced, he did not use his head in the narrow way of some leaders. He was open-minded and honest in his responses to the media; he did not show the coldly analytical, dispassionate prosecutor he once was. Neither did Giuliani obfuscate or generalize, as many politicians do in response to tough questions; nor was he defensive. He mixed stories with data and timely information with his personal interpretation of it, thus communicating insights rare for politicians.

On the business side, Andrea Jung, CEO of Avon, represents a leader who adroitly combines head, heart, and guts, and we know her well. Years ago when Avon was in a turnaround mode, Jung’s strategic ability was critical; she had to develop a market strategy and build a sound business plan to restore a moribund company’s fortunes. When she and her team came up with a strategy—one designed to move a traditionally people-oriented company toward a performance mind-set—Andrea Jung, as CEO, was an astute risk taker, investing in edgy advertising, shedding unprofitable brands, closing some factories, and taking other steps to invigorate performance. At the same time, people steeped in the Avon culture would never have bought into her strategy unless she was someone they could trust. Her emphasis on communicating and building relationships, as well as her insistence that everyone on her team must possess and demonstrate emotional intelligence, has fostered this trust. Over the years, Andrea has had to make tough people decisions, and she has been able to maintain the loyalty and respect of Avon employees, despite letting veteran staff go. Making these decisions required guts, and keeping morale up after making them required heart.

Context Leadership

In both examples, you may have noticed that Jung and Giuliani responded situationally. They were able to draw on head, heart, or gut behaviors as events demanded. It helps to consider this leadership flexibility from a “context-versus-content” perspective.

We (Mercer Delta) recently conducted a content-versus-context leadership study of CEOs and discovered that context leaders were three times more effective than content leaders. Content leaders are classic head types, feeling compelled to draw on their knowledge to add value when they meet with others. Context leaders, on the other hand, add value by recognizing other resources when they enter a room and use them effectively. Operating within a context requires heart and guts; these leaders need to take the risk of depending on others to add value, and they must connect with other people so that they are willing to help them accomplish their objectives. Bill Weldon at Johnson & Johnson, Jeff Immelt at General Electric, and Steve Reinemund at Pepsi are all CEOs who practice context leadership. It is less important to them to be seen as the cleverest person around, than to be able to use their head, heart, and guts as the situation requires.

For any leader operating in a global environment, context is crucial. In the past, leaders could rely on their knowledge to solve most problems and deal effectively with most situations. Most of the time, they were operating within a relatively narrow, relatively constant environment or set of specialties. Today, the context is constantly shifting. One day, it may be important for a CEO to show compassion in announcing a divestiture or plant closing. The next day he may focus on forging an alliance with a Chinese or Asian partner to create great opportunity for growth. In both situations, the CEO must decide on a course of action, knowing that at almost every decision point the upside has a downside and that the ability to make the right decision, based solely on analysis of existing information, is virtually impossible. He must possess an almost instinctive sense of risk to determine whether venture or cost

cutting is worth it. On a third day, he may face litigation due to intellectual property, shareholder, or employee claims, and to minimize the damage any of these might do, he may need to display equal parts of head, heart, and guts to manage the issues that arise.

The type of leader we are describing is not perfect or without weaknesses. She may err on the side of guts when she should rely on her intelligence. She may also naturally possess more heart than head or guts and need to be highly conscious of all facets of her leadership persona; she may need to make more of an effort to draw from these other two parts of herself that don't surface as easily as her empathy, ability to communicate, and skill at listening. The key, therefore, is maintaining access to all three parts of our leadership repertoire. Too often, leaders reflexively rely on their proven way of solving problems, approaching relationships, or capitalizing on opportunities—capabilities and qualities that have worked for them in the past. They rely too much on their past experience and automatically assume they can approach their challenges the way they always have. They end up being partial leaders, which, as we will see, can create difficult problems for their careers and their companies.

The Problem with Partial Effectiveness

We do not want to convey the impression that partial leaders are incapable of succeeding. We have worked with many brilliant senior executives who have led teams that formulated and implemented highly profitable strategies. Smart people can often come up with innovative ideas that result in successful products and services. They can analyze data, devise partnerships and alliances, and use raw brainpower in a hundred different ways to lead their organizations.

Sometimes the context dictates head leadership. For example, companies may be market leaders that (for the moment, at least) need a CEO who is a strong strategic thinker and is astute financially. Or it may be that the situation dictates another type of par-

tial leadership. Not-for-profits, for instance, used to be run by heart-focused CEOs because they strived to be people-oriented companies first and money-making companies second, with the result that fundraising and other expenses went up and credibility went down. If situations never changed, partial leadership would be fine. As we all know, however, things change faster than we could ever have imagined.

Because our current environment is rife with change and complex demands, the partial approach exposes a leader's Achilles' heel. When people are weak in one or two of the three areas of whole leadership, they eventually end up in situations where they lack the range of options to deal with their challenges effectively. Studies of leadership support this view. Shelley Kirkpatrick and Ed Locke found that effective leaders had a strong IQ and knowledge of their businesses (head), operated with integrity and trust (heart), and showed tenacity and drive (guts).

Let us look at some of the repercussions when people lead primarily with their cognitive strengths or analytical ability—essentially, with their heads. Specifically, here's what happens when CEOs do the following:

- *Intimidate people with their intellect.* Intellectual brilliance minus people skills or courage translates into a cold, blinding brilliance and fosters an organizational culture that replicates the leader's personality. We know one CEO who had an intimidating ability to summon up obscure data or year-old conversations in a snap second. When his direct reports disagreed with him, he overwhelmed them with statistics.

The CEO's inability to listen actively or to manage his arrogance eventually caused his management team to defer to his analysis on all occasions. No one challenged him, and as long as the company was performing, holding market share, and keeping competitors from gaining a strategic advantage, things went well. When the economy entered into recession after 9/11, and foreign competitors introduced superior technology, this CEO was unable to

mobilize his team to act urgently and to take the actions that he had determined were required. Not only did he lose many of his top people, but he was unable to inspire the company to support his turnaround strategy, as astute as it might have been.

- *Confuse matters by complicating issues.* People who lead only from the head run the risk of overthinking problems and overanalyzing opportunities. Rather than outlining options clearly or providing just enough data to make a decision, they believe any problem is a set of intellectual challenges, and consequently they overwhelm everyone with statistics, ideas, and alternatives. They may lack the guts to confront the emotional dynamics of the situation or delay in making a decision. Their complex approach causes people to question their own simpler (and often more effective) ideas, and they defer to complexity.

- *Dominate conversations.* No doubt, you have encountered executives who are in love with the sound of their own voice. They perorate and pontificate. They relish displaying their vast knowledge and insights. They lack the courage to allow others to voice their opinions (they fear being proved wrong) and the heart to empathize and recognize the value others might contribute. These leaders may be extremely eloquent and convincing, but ultimately they discourage their direct reports from sharing their true feelings or ideas. The dominating leader gives the illusion of being all-controlling and all-knowing, but this illusion often ends up harming enterprises that are making decisions based on incomplete information at the top or one individual's narrow perspective.

- *Change direction without being transparent.* This leader is so smart and operates so much within his own head that people don't realize it when he has shifted strategy. He isn't aware that others are lost; he doesn't see that he is going left and they are going right. He misses the important cues embedded in the culture, some of which are due to his own action or inaction. A heart leader can read people well and sense when they are out of step, but people who lead entirely with their heads often possess little insight into others.

Ultimately, when a leader and his team don't pull together, mistakes pile up.

- *Fail to connect other people's experience to the direction in which the company is headed.* In some situations, the leader's problem is an inability to get other people to embrace a shift in policy or strategy. Leaders may do a great job explaining the new direction but are unable to inspire people to embrace the change. They cannot make the case for how the new direction will affect other people positively. They fail to discern how different individuals are responding—for example, how a vice president could really be concerned about the impact the new direction will have on his organization, resources, or empire, or how another believes it will require him to do things he had never done before, or how a third person may be plugging into previous experience that is only marginally relevant. As a result, people's embrace of the new direction is half-hearted because the reasons for their resistance are not understood.

- *Drive for performance without incorporating other values.* A results-only mentality is an anachronism. Organizations run by people with a performance-at-any-cost mentality tend to create a cynical workforce. As difficult as it is to balance an emphasis on results with values such as honesty, compassion, and trust, whole leaders make a conscious and transparent effort to do so. Even if they are not completely successful, they convey that this balance is important to them, and the result is an environment where people feel respected and where being a good team member or associate over time matters. They still drive for strong results but not to the point that nothing else matters. At best, results-obsessed organizations tend to be unpleasant places in which to work. At worst, they become the Enrons of the world.

- *Fail to create and staff a leadership pipeline.* We have saved one of the worst problems of partial leadership for last. Head-only leaders tend to be so cognitively driven that they don't understand how to successfully recruit and develop other leaders. Sometimes, their head combines with their arrogance to convince themselves they

are invincible. Family dynasties and insular old-boy networks are particularly susceptible to this. Leaders in these contexts are sometimes so arrogant that they believe they will lead forever. When they are forced out or quit, however, they have not prepared anyone to take their place. The lack of successor can be devastating to companies, especially if this head-only leader departs during a crisis, and it explains why so many CEO successions in the last few years have required boards to launch a highly visible outside search.

In some cases, a company can thrive under this type of CEO's leadership, but when he leaves, the company collapses; senior leaders have not been groomed to run the organization without this dominant individual. Because his leadership was overly dependent on his analytical skills, individual judgment, and dominant personality, his absence creates a vacuum that takes time for others to fill; it can't happen suddenly.

Does Your Organization Lean Toward Whole or Partial Leadership?

Admittedly, the question posed in this heading is difficult to answer. All organizations have a mixture of both types of leaders. Still, an alarming number of companies don't realize how many partial leaders they have in place, especially in key leadership positions. To help you diagnose what type of leaders your organization has, think about the following questions:

1. What percentage of people in leadership positions would you categorize as "the smartest person in the room"?
2. Does your company factor heart and guts criteria into the recruiting process? Do they look for people who meet a particular set of cognitive competencies, or do they go beyond the specs to consider a broader range of attributes, demonstrated across a variety of contexts?
3. Does the performance review process within your organization incorporate heart and guts criteria?

4. Is your executive development process focused exclusively on skills and knowledge acquisition, or does it give equal weight to developing people skills, risk-taking ability, and emotional intelligence acquired through experiences, mentoring, key relationships, and acknowledgment of failure?
5. What adjectives are usually used to describe your CEO? Are the words usually “brilliant, great strategist, highly analytical, results-focused, detail-oriented” or are they “well-rounded, hard-nosed but compassionate, results-focused and caring, high emotional intelligence, brave”?
6. Looking at your top leadership level, what traits do the majority of people share? Are they head traits, heart traits, guts traits, or all three?
7. Would you categorize your culture as being primarily head, heart, or guts? Does one of these traits dominate, or is it more of a mixture of two or three traits?
8. If someone asked you how you got to be CEO in your organization, would you advise him to (1) demonstrate an ability to take risks that pay off, (2) create bonds of trust with your people, (3) be a highly effective strategist? Or all three?
9. Does your company ever ask what is the right mix of head, heart, and guts required to meet the requirements of your culture and future business challenges?



If your answers to these questions indicate a propensity for partial leadership, the following chapter will help you understand how development processes cause it to be ingrained. Fortunately, we also suggest ways in which development can push companies in the direction of whole leadership.

