

Jim Clemmer's *Leader Letter*



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FEBRUARY 2012, ISSUE 107

Since 2012 is the year of Heather and my 35th wedding anniversary, we've been living out one of our dreams with a 30 day cruise that left San Diego, CA on January 4 to Hawaii, through the South Pacific, and back to San Diego. There are many, many fascinating aspects to this part of the world. A big one is the enormity of the Pacific Ocean. It encompasses one-third of the earth's surface. All of the landmass on this planet would fit within the Pacific with room for another Africa!



As a history buff, it's been fascinating to learn more about the Polynesian people who settled throughout the countless beautiful islands dotting this vast ocean. I've been re-reading James Michener's historical novel, *Hawaii*, to get reacquainted with the story and stories of how this most remote island chain in the world was founded as one of the last places on earth to be populated by people. It's a history rich with leadership lessons on courage, vision, community, teamwork, spiritual connections, and working in harmony with nature's mighty laws.

2012 is also a Leap Year with an extra day added to the calendar on February 29. We need the extra day because the earth doesn't orbit around the sun in precisely 365 days. This is one more reminder of how we need to continually adjust the constructs of our world (like our calendars and clocks) to much bigger universal laws.

How will you use the gift of an extra day in February? Strong and

be called, the key questions forming our Focus and Context are:

- Where are we going?
- What do we believe in?
- Why do we exist?

Where we are going involves the use of imagery and visualization. This has an incredible self-fulfilling power and vibrational magnetic energy that new research frontiers like quantum mechanics and mind-body medicine are only beginning to understand. What we believe in defines our deep-seated values or attitudes that establish the frames or filters we wear to define whatever is happening to us as good or bad. These values also guide our behaviors. Why we exist takes us to the fundamental issues of finding or defining deeper meaning for our teams, our organizations, and our own time on this earth.

Further Reading:

- A selection of [articles on "Personal Vision, Values, and Purpose"](#)
- [Blog posts on Personal Vision, Values, and Purpose](#)
- A selection of [articles on "Organizational Vision, Values, and Purpose"](#)
- [Blogs posts on Organizational Vision, Values, and Purpose](#)

BEHOLD! A LEADER IS BORN!

A long time reader, P.K. Seshadri, sent this "*quip to enjoy and use in your future posts:*

An amateur photographer was invited to dinner with friends and took along a few pictures to show the hostess. She looked at the photos and commented 'These are very good! You must have a good camera.' He didn't make any comment, but, as he was leaving to go home, he said, 'That was a really delicious meal! You must have some very good pots.'



This anecdote succinctly reminds us that it's the skilled use of the tools that makes the difference. The point made here is pretty obvious. But after decades of working with hundreds of management teams and thousands of strong, aspiring, and wallowing leaders, when it comes to leadership development, obviously the obvious isn't so obvious! Despite the reams of ongoing research, many people still believe that leaders are born, not made.

It's a dangerous excuse to believe that leaders are born not made. It takes you off the hook and gives you too easy an out from the difficult work of reframing your outlook and building your leadership skills.

Since I began studying, applying, and teaching leadership skills in 1975, I've believed to the core of my being that high performers are made, not born. Otherwise I would have given up long ago! When I was a sales trainer with Culligan Water Conditioning back in the seventies, I wrote a fictitious (and facetious) series of birth and death announcements poking fun at the popular misconception that we're either born talented or not. I revamped and revised the announcements and penned a passionate passage outlining my argument in the nineties when I wrote [Pathways to Performance: A Guide to Transforming Yourself, Your Team, and Your Organization](#). You can read it on our website in my article, "[Leaders are Made, not Born](#)."

If we are not working hard to continually improve our leadership skills because we weren't "born with natural talent," then we are copping out, misinformed, or both.

Thanks for the reminder in your pithy story, P.K. You must have a very good computer!

WHY ORGANIZATIONAL CHANGE RESOLUTIONS ARE EASILY BROKEN

Over the past few decades many organizations have jumped on the change bandwagon with a long list of resolutions to change their ways and develop new habits. Here's a partial list:

- Safety culture
- Customer centric/focus/service
- Teamwork
- Innovation
- Flexibility/adaptability to change
- Best place to work/top employer
- Excellence
- Market/industry leadership
- Higher employee engagement



Like too many New Year's resolutions, these good intentions have a high failure rate. About 50 - 70% of these organizational efforts fail to change organizational lifestyle and habits. On the other hand -- using the same set of tools and techniques -- 30 to

50% of this work produces dramatic and lasting organizational transformation.

Vital Steps to Leading a Peak Performance Culture

My article, [Vital Steps to Leading a Peak Performance Culture](#), is now available. The article draws from some of last summer and fall's research and approaches for our updated keynote, workshop, and executive retreat on leadership and culture development. Last November I condensed that into a 60 minute [Leading a Peak Performance Culture](#) webcast (click on the title to view it) that's in our archive.

The article's main sections are:

- Soft is Hard: Why Most Culture Change Efforts Fail
- From Bolt-On Programs to Built-in Culture Change
- Transformation Pathways:
 - Focus and Context
 - Customers and Partners
 - Strategy and Direction
 - Measures and Rewards
 - Systems and Processes
 - Learning and Development

[Executive Excellence](#) magazine has published a condensed version of the article entitled "Peak Performance." [Click here](#) to read the full version of [Vital Steps to Leading a Peak Performance Culture](#).

VALUABLE INSIGHTS FROM NEW STUDY ON TOP COMPANIES FOR LEADERS

The RBL Group in partnership with Aon Hewitt and *Fortune* magazine has just released the latest version of their "Top Companies for Leaders" study. Every few years since 2002 this study has been conducted to look at the talent management practices of the best companies around the world across hundreds of data points.



470 companies completed a detailed questionnaire for this study. These were analyzed and hundreds of interviews were then conducted with senior executives. A panel of judges chose the top 25 companies for leaders. The top four were:

1. IBM
2. General Mills
3. Procter & Gamble, and
4. Aditya Birla Management Corp.

Here's one of the key findings:

"Nearly 85 percent of Top Companies say their leaders can explain how the investment in leadership affects financial performance, while only 54 percent of all other companies in the study can say the same. In fact, 92 percent of Top Companies say their stakeholders understand how their leadership strategy creates value, compared to just 78 percent of all other organizations in the study."

Clearly these top companies see leadership development as a critical competitive edge. RBL Group calls it their "leadership brand." At Top Companies:

1. "Leaders know external stakeholder expectations:
 - Top Companies are two to three times more likely to include customer and investor perspectives in their development curriculum than other companies.
2. Leaders are expected to be what external stakeholders expect:
 - Competency models of Top Companies include customer and investor expectations.
3. Leaders must do the right things to generate confidence:
 - Top Companies report stronger reputation for leadership with external stakeholders than other companies."

The report's central focus is on "six key elements to create a strong Leadership Brand:"

1. "Top Companies have linked the need for leadership to their ability to deliver results now and in the future.
2. Top Companies have a defined competency model that describes a unified theory of what leaders at their organization should know, be, and do. And they use their competency models in all phases of talent and leadership development.
3. Top Companies assess both individual and organizational skills and experiences, evaluate the gaps, and create plans to close them.
4. Top Companies invest to acquire, develop, promote, and retain critical talent more effectively and more broadly than other companies. They focus on a few simple ideas and programs that are well executed.
5. Top Companies are more likely to have business-based measures for the organization and to hold leaders accountable for developing leadership capability, gauge progress on leadership initiatives, and assess risk and vulnerabilities.

6. Top Companies are more intentional about building a brand or promoting their reputation around talent and leadership."

There's more rich detail in this practical and instructive study. Click on "[Top Companies for Leaders](#)" to read the research report

JUGGLING FIVE BALLS OF LIFE

Brian Dyson's September 1996 comments at the Georgia Tech 172nd Commencement Address (he was then President and CEO of Coca-Cola Enterprises) have become legendary for the succinct and powerful advice condensed into it. Now is a great time of year to ponder -- and act on -- his profound words:



"Imagine life as a game in which you are juggling some five balls in the air. You name them -- work, family, health, friends and spirit ... and you're keeping all of these in the air.

You will soon understand that work is a rubber ball. If you drop it, it will bounce back. But the other four balls - - family, health, friends, and spirit -- are made of glass. If you drop one of these, they will be irrevocably scuffed, marked, nicked, damaged, or even shattered. They will never be the same. You must understand that and strive for balance in your life.

How?

- Don't undermine your worth by comparing yourself with others. It is because we are different that each of us is special.
- Don't set your goals by what other people deem important. Only you know what is best for you.
- Don't take for granted the things closest to your heart. Cling to them as you would your life, for without them, life is meaningless.
- Don't let your life slip through your fingers by living in the past or for the future. By living your life one day at a time, you live all the days of your life.
- Don't give up when you still have something to give. Nothing is really over until the moment you stop trying.
- Don't be afraid to admit that you are less than perfect. It is this fragile thread that binds us to each other.

- Don't be afraid to encounter risks. It is by taking chances that we learn how to be brave.
- Don't shut love out of your life by saying it's impossible to find time. The quickest way to receive love is to give; the fastest way to lose love is to hold it too tightly; and the best way to keep love is to give it wings!
- Don't run through life so fast that you forget not only where you've been, but also where you are going.
- Don't forget, a person's greatest emotional need is to feel appreciated.
- Don't be afraid to learn. Knowledge is weightless, a treasure you can always carry easily.
- Don't use time or words carelessly. Neither can be retrieved. Life is not a race, but a journey to be savored each step of the way."

Further Reading:

- "[Personal Visioning Pathways and Pitfalls](#)"
- Personal Vision, Values, and Purpose [articles](#)
- Personal Vision, Values, and Purpose [blog posts](#)

BOOK REVIEW OF *GOOD COMPANY: BUSINESS SUCCESS IN THE WORTHINESS ERA*

[Good Company](#) ties together the lessons we're still learning from The Great Recession, and explains what's fueling the occupy movements, shows how social responsibility and environmentalism is dramatically shifting business approaches, and identifies the rising power of customers. *Good Company* is an inspiring and uplifting read for those of us working to bring about a values-based leadership revolution. It's fairly bubbling over with hope, optimism, and deep insights into the change tsunami washing around the globe.



Critics of this book will likely try to dismiss it as left wing propaganda describing an unrealistic utopia. I can hear these old world managers (the anti-leaders) now: "that's not the reality of how the business world works. Good guys finish last."

Unfortunately, for old school managers -- and thankfully for the rest of us -- *Good Company* builds many of its arguments around solid research. These are deep and profound global trends that can't easily be blown off with ideological platitudes:

"Nearly six in ten global consumers polled in 2009 said a company or brand earned their business during the recession because it has been doing its part to support good causes..."

- Nearly three out of four Americans surveyed in 2010 said they are more likely to give their business to a company that has fair prices and supports a good cause than to a company that provides deep discounts but does not contribute to good causes...
- 37 percent of Americans would punish a company that doesn't actively support a good cause by sharing negative opinions and experiences, while 47 percent would not invest in such a company...
- 84 percent of consumers in China, India, Malaysia, and Singapore say they would accept a higher price for a green product...
- Globally, 56 percent of people want a job that allows them to give back to society versus 44 percent who value personal achievement more..."

Two of the authors, Laurie Bassi and Dan McMurrer, are organization effectiveness researchers, consultants, and run an investment fund based on the principles outlined in *Good Company*. They used their Good Company Index to rank the Fortune 100 (largest 100 companies on the Fortune 500 list of America's largest corporations). It's based on calculating scores for Good Employer (from Glassdoor.com), Good Seller (wRatings using customer evaluations of quality, fair price, and trust), and Good Steward (environment, penalties/fines, CEO compensation, use of tax havens, and society/community contributions).

The two companies in the "highest" category were United Parcel Service and Walt Disney. About 25 companies were rated "high." Some of these included IBM, FedEx, Dell, Procter and Gamble, Best Buy, and 3M. Three companies in the "lowest" category were Philip Morris, Prudential Financial, and Sunoco. Some of the 20 companies in the "low" category included Berkshire Hathaway, Exxon Mobil, News Corp, Dow Chemical, and General Dynamics.

"When we compared pairs of Fortune 100 companies within the same industry, we found that those with higher scores on the Good Company Index outperformed their peers in the stock market over periods of one, three, and five years."

Ultimately, *Good Company* shows how a strong leadership culture that's serving all of its stakeholders and society pays off for everyone buying from, working for, investing in, and doing business with the company. Traditional management that's narrowly focused on serving shareholders (and usually senior executives) fails to provide sustained profitability compared to their better led peers. And everyone else is worse off.

At times the authors go over the top with unsubstantiated theories and wild conjectures about where the world is headed. Nobody can predict

the future and extrapolating today's trends forward inevitably proves to be way off the mark.

But they build a very strong case that good guys finish first:

"We're losing patience with bad companies ... we are entering a new economic age. We call it the Worthiness Era. In it, companies face mounting pressures to prove themselves worthy of their employees, customers, and investors. In order to do so, they must combine competitive savvy with a genuine desire to do more than maximize short-term profits or enrich a narrow circle of stakeholders. And then they must back up those good intentions with actions. It's an era based fundamentally on reciprocity. Put simply, companies must demonstrate they care about people and the planet if they are going to prosper ... companies 'can do well by doing good' requires an update. Companies will not be able to do well unless they do good. What has been a nice-to-have over the past decade or so is becoming a necessity."

Good Company is a good read with more good evidence that multi-dimensional values-based leadership takes us all to good places.

THOUGHTS THAT MAKE YOU GO HMMM...ON GOOD COMPANY

"A team of scholars led by University of Southern California management professor Theresa Welbourne discovered that investments in human resources are the strongest predictors of the survival of firms five years after an IPO ... "The reason HR factors had a positive effect on longer-term performance was due to their effects on what we call 'structural cohesion,'" Welbourne writes. "Structural cohesion is an employee-generated synergy -- essentially a close-knit, high-energy culture -- that propels the company forward."



"... companies that closely mesh their external brand with their employee experience outperform peers ... tight alignment between a company's external message and its employment "deal" -- the rewards and experience a firm offers to workers -- leads to increased employee engagement and retention, a superior customer experience, and a

15 percent higher market premium compared to industry peers."

"In announcing the arrival of "the ethical consumer," *Time* magazine noted: "We are starting to put our money where our ideals are." If companies want to succeed in this ethical age, they had better live up to those ideals."

"Chief among the factors pushing companies to behave better are the rise of interactive Web 2.0 technologies and a corresponding culture of participation and disclosure, whereby millions of people are publishing their experiences and opinions online. Also forcing companies in the direction of worthiness is a growing global consciousness. Heightened appreciation of human interdependency -- fueled by factors like international trade, travel, and concern about global climate change -- is making people care more about how companies treat workers, customers, communities, and the environment."

"While you can make some customers happy through brute force, you cannot sustain great customer experience unless your employees are bought-in to what you're doing and are aligned with the effort. If employees have low morale, then getting them to "wow" customers will be nearly impossible."

"... studies find that primary contributors to employee commitment include:

- management concern for employees and customers
- participation in decision making and autonomy, along with supervisory career support (information, advice, and encouragement)
- non-monetary recognition and competency development"

"A compelling "for what" purpose can also bring out the best in employees. A cause that fires up the imagination, stirs the spirit, or otherwise taps our better nature is likely to make us work hard and feel alive on the job."

READ THE LEADER LETTER IN TWICE WEEKLY INSTALLMENTS

The items in each month's issue of *The Leader Letter* are first published in my twice weekly [blog](#) during



the previous month.

If you read each blog post (or issue of *The Leader Letter*) as it's published over twelve months you'll have read the equivalent of one of my books. And you'll pick up a few practical leadership tips that help you use time more strategically and tame your E-Beast!

FEEDBACK AND FOLLOW-UP

I am always delighted to hear from readers of *The Leader Letter* with feedback, reflections, suggestions, or differing points of view. Nobody is ever identified in *The Leader Letter* without their permission. I am also happy to explore customized, in-house adaptations of any of my material for your team or organization. Drop me an e-mail at Jim.Clemmer@Clemmer.net or connect with me on [LinkedIn](#), [Twitter](#), [FaceBook](#), or my [blog](#)!

Keep learning, laughing, loving, and leading - living life just for the L of it!!

Jim



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The CLEMMER Group
10 Pioneer Drive, Suite 105, Kitchener ON N2P 2A4
Phone: (519) 748-1044 ~ Fax: (519) 748-5813
E-mail: service@clemmer.net
<http://www.jimclemmer.com>