The Leader Letter

Wells Fargo is now America's largest bank by market capitalization. One of Zenger Folkman's early and largest Clients, the company has been working extensively on leadership and culture development for the past decade. CEO John Stumpf observed, "We always say we could leave our strategic plan on an airplane, somebody could pick it up, and it wouldn't matter. It's all about execution. It's how you hire, how you inspire, your culture, how you reward, how you celebrate victories, how you deal with disappointments. This is easy to talk about, but it is all in the execution."

One of the largest corporate transformations of the past few decades was the massive and highly successful turnaround of IBM led by Lou Gerstner. In his book *Who Says Elephants Can't Dance: Leading a Great Organization Through Dramatic Change* he writes, "until I came to IBM, I probably would have told you that culture was just one among several important elements in any organization's makeup and success -- along with vision, strategy, marketing, financials, and the like … I came to see, in my time at IBM, that culture isn't just one aspect of the game -- it is the game."

Research consistently shows that 70% of organization change and improvement efforts fail. Decades of research also shows that leadership and organization culture are the critical X factors. "Soft" leadership and culture boosts or blocks strategy, structure, and change initiatives such as attempts to:

- Improve internal/external customer service
- Boost health and safety
- Execute organizational changes
- Enhance productivity/efficiency
- Lift morale/engagement levels
- Strengthen teamwork/team building
- Reduce turnover and absenteeism
- Increase quality
- Implement Lean/Six Sigma

High performing organizations pull together the intangible leadership and culture issues that define their unique character and rally people around a deeper sense of purpose. These powerful feelings are made tangible through behaviors and attitudes that are accepted/overlooked or expected and rewarded. These are supported by and aligned with the strong implementation of management processes and systems that translate ideals into action.

This issue highlights key leadership and culture development topics. An IBM study shines a light on why most change efforts fail. You'll also learn more about my complimentary webcast on June 17. Finding your leadership sweet spot, 8 tips for personal development, learning what disengages employees,

traditional versus strengths-based 360s, and feedback assumptions provide significant pieces of the leadership and culture development puzzle.

Complimentary Webcast: Leading a Peak Performance Culture

It's been a few years since we've condensed our culture development approaches and experiences into a one hour webinar. Over the past few years we've continued working with a variety of North American and global Clients on leadership and culture development. We've also added the depth and power of Zenger Folkman's leadership and coaching skill development to approaches.

I've been reviewing and pulling together our latest research and lessons learned on developing highly effective cultures. **Leading a Peak Performance Culture webcast** on June 17 is a fast-paced 60 minute webcast. It's designed for senior executives and Human Resources, Organization Development, and related professionals to review leadership and culture development best practices and assess their own efforts.

Here's what I'll cover:

- How "Soft" Leadership and Culture Produce Hard Results: What's your team or organization culture?
- Bolt-on Programs versus Built-in Processes: Which best describes your culture change activities?
- The Peak Performance Balance: Managing Things and Leading People: How's your team or organization's balance?
- Six Core Components for a Peak Performance Culture: Are you using a programs-and-pieces or an integrated approach?
- The Five Stage Commitment Continuum: Do your leaders role model your culture change?
- Bringing Alive Vision, Core Values, and Purpose/Mission: How alive is yours?
- Leadership is an Action, Not a Position: How energized and engaged is everyone throughout your team or organization in the culture change effort?
- Getting (Re) Started: How do you sustain peak performance?

I've erred on the side of packing lots of information into a short presentation aimed at helping participants explore:

- What strong leadership skills and a peak performance culture looks like.
- Practical tips, tools, and techniques for leadership and culture development leading to better strategy, structure, and change initiatives.
- How to better integrate and coordinate team or organization's current culture changes and improvement programs to dramatically boost Employee Engagement, Satisfaction, and Commitment.
- Clarify/redefine technical, management, and leadership roles and responsibilities.

Go to **Leading a Peak Performance Culture webcast** for more information and to register for this June 17 session. I hope to "see" you online.

Traditional versus Strengths-Based 360 Assessments

Joe Folkman is a global expert in psychometrics or measuring psychological factors. He wrote his PhD dissertation on data he collected from 360 assessments. Over the decades he's developed feedback and measurement tools around a growing database now compromised of over a half million assessments on almost 50,000 leaders. Long-time feedback, executive coaching, and leadership development clients include AT&T, General Motors, Boeing, ConocoPhillips, CIBC, General Mills, Wells Fargo, and many others.

Recently I asked him to reflect on what he sees as the biggest difference between traditional 360 assessments (where he began his career) and the strengths-based 360 he developed and has used for the past 14 years:

1. Traditional 360 has a very powerful message -- focus on weakness -- identify problems -- find the losers. Introducing a 360 process and letting people know we're looking for strength takes the threat out of the process. The surprising thing is that those with fatal flaws are much more willing to acknowledge that they have a fatal flaw because we framed the conversation around strengths.
2. Traditional 360 assessments typically ask "what does this person do well?" and "what areas could this person improve?" The list of improvement areas is long and compelling. Weaknesses are huge distractions. Even the best leaders have weaknesses. Great leaders are not perfect. The process of working on weaknesses encourages people to work on the wrong issues. Instead leaders need to know how others perceive their strengths and align those with "what does the organization need you to do to be successful?" and "what are you passionate about?" These questions identify the most powerful things for leaders to focus on.
3. The Gestalt or overall feeling that is created by weakness-based 360 surveys is, "what is wrong" while the gestalt of the strengths-based approach is "what is right." Weakness-based approaches equates with failure, faults, problems and pessimism. Strengths-based equates with success, strengths, what is right, and optimism. The body of research on how optimists are happier, more effective, and stronger leaders is compelling.
4. Basically organizations are successful because of how they stand out, what differentiates them, basically their strengths. They are not perfect. Organizations fail because they do something terribly wrong. People are the same.

If you'd like to explore the compelling research behind Joe's reflections see **Focusing on Strengths** or **360 Assessments**.

Video Clip: Leadership Sweet Spots and Powerful Combinations

How do you build a leadership strength from good to great? How do you sustain energy and endurance to keep working at developing leadership skills until others notice a substantial improvement? How do you ensure the leadership skill you're developing is most relevant to what the organization needs or expects from you?

The answers to these questions form a "leadership sweet spot" where strong leadership competence, personal passion (what skills we most love to use), and the highest ranked leadership skills for an individual converge. In the first part of a video

clip on **Powerful Strengths Combinations** I give a two minute background and summary of this key concept in leadership cross-training to decide what skill to develop.

Have you ever caught yourself or heard others ask "would you like results or strong relationships and teamwork?" Many managers see this combination as an either/or choice. Our research shows it's an example of a very powerful combination. When leaders are able to do both very well their effectiveness and outcomes (employee engagement, retention rates, service levels, safety, quality, profitability) often soar to the top 10%. In the second two minutes of **Powerful Strengths Combinations** I recap the powerful combination of Drives for Results and Builds Relationships.

If you would like more information on both of these approaches and combinations click on these links:

- **"Leadership Sweet Spot: Strengths, Passion, and Organizational Needs"**
- **"Authentic Leadership Comes from Building Our Strengths"**
- **"Powerful Combinations: Drive for Results and Builds Relationships"**
- **"Webinar: How to Make Honest People MORE Honest"** (cross-training research and example)

IBM Study Shows Why Only 20% of Change Efforts Are Highly Successful

Recently I've been reviewing our lessons learned on organization and culture development. This is in preparation for our June 17 webinar on **Leading a Peak Performance Culture**.

"Making Change Work … while the Work Keeps Changing" is a new research report from IBM summarizing interviews and online surveys they conducted of over 1,400 leaders responsible for designing, creating, and implementing change in their organizations. A key conclusion, consistent with hundreds of studies on organizational change going back to the early eighties, is "only 20% of respondents are considered successful in managing change."

The IBM study identifies and ranks 14 "most important aspects of successful change." Here are the top six with percentages of participants citing them:

- Top management sponsorship (83%)
- A shared vision (64%),
- Corporate culture that motivates and promotes change (57%)
- Honest and timely communication (53%)
- Ownership of change by middle management (51%)
- Employee involvement (46%)

The study calls these "soft factors" and notes that the lowest ranking aspects such as efficient structure and roles within the organization are "hard factors."

What's the most effective means of changing attitudes and behaviors? Here are the top five:

- Involve leaders in role modeling (73%)
- Establish and communicate a compelling case for change (73%)
- Identify and empower people who are passionate about change (64%)

- Align performance goals (45%)
- Use reward and recognition systems (28%)

The list of the biggest challenges implementing change has "corporate culture" at the very top. This is well aligned with decades of rigorous study and our own experience. It's also the focus of our upcoming **Leading a Peak Performance Culture** webcast. **Click here** for more information and to register.

Webinar: The Secret to YOUR SUCCESS -- 8 Tips for a Better YOU

Research shows that people who put proper emphasis on their own development impact their organization in significant ways.

Multiple studies show how seeking feedback can increase leadership effectiveness. Last month Zenger Folkman's webinar took a deeper dive into self-development and the critical role feedback can play.

Many leaders give more priority to developing others than developing themselves. They often don't see the links between personal, team, and organization development. Compelling evidence shows that when leaders improve their personal effectiveness their teams and organization benefit immensely. Better leaders produce higher customer satisfaction, greater engagement and productivity, increased profitability, safer work workplaces, and lower turnover.

How can leaders improve their self-development efforts? Zenger Folkman evaluated survey results from leaders who scored in the 90th percentile for "Practices Self-Development." Eight companion behaviors were discovered.

Click here to access the webinar The Secret to YOUR SUCCESS – 8 Tips for a Better YOU!

Bonus: Complimentary Self-Development Guide Webinar viewers will receive Zenger Folkman's unique, strengths-based development guide for the competency "Practices Self-Development." This tool will help you move forward with your development plan and will teach you more about our "cross-training" approach to building on a strength.

8 Factors That Frustrate and Disengage Employees

Whenever we ask a group of workshop participants how many rank employee engagement as one of their top priorities, most raise their hands.

We're encountering a growing number of organizations finding that their engagement survey ratings are slipping -- and not just at the frontline employee level. A growing number of people -- at all levels and in all roles -- are feeling trapped and stuck in their jobs. "I owe, I owe it's off to work I go," becomes their sad refrain. They can almost hear the cell doors clang shut behind them as they enter their workplace for "another day another dollar" in Day Prison.

Recently Zenger Folkman studied 970 people in one organization who rated their engagement in the bottom 10%. This disgruntled and very unhappy group included all levels and positions in the organization including executives. For them work was drudgery and a dirty four letter word.

After analyzing the survey questions from a 360 assessment that were answered highly negatively a factor analysis was done to identify eight key themes that summarized their frustrations:

1. **Lack of pride and satisfaction with the organization.**
2. **Minimal appreciation or recognition.**
3. **Absence of challenge and meaning in work.**
4. **Unwillingness to go above and beyond basic requirements.**
5. **Conclusion that they were not treated fairly.**
6. **Feeling of powerlessness.**
7. **Organization failed to appreciate and practice values such as teamwork, trust and valuing diversity.**
8. **Minimal opportunities for growth and development opportunities.**

Many leaders recognize the strong and direct links between levels of employee engagement and innovation, customer satisfaction, quality, safety, productivity, revenues, and profitability. What's not so often recognized is the strong and direct link between engagement and my on-the-job, daily leadership. So many attempts to improve employee engagement focus on organizational initiatives like pay and benefits, flex hours, childcare, branding, communications, recognition programs, work-life balance, training programs, or facilities and equipment.

Yet a ream of studies show the single biggest and best predictor of engagement, satisfaction, and commitment is how people are treated by their immediate leaders. These leadership behaviors cascade down through the organization and form its culture.

Leaders hold the key to unlocking and freeing their direct reports and teams from Day Prison.

Engagement Resources:

- Visit **Inspiring and Motivating** for a selection of blogs, books, and research papers.
- **Employee Engagement and Empowerment** for blogs and articles.

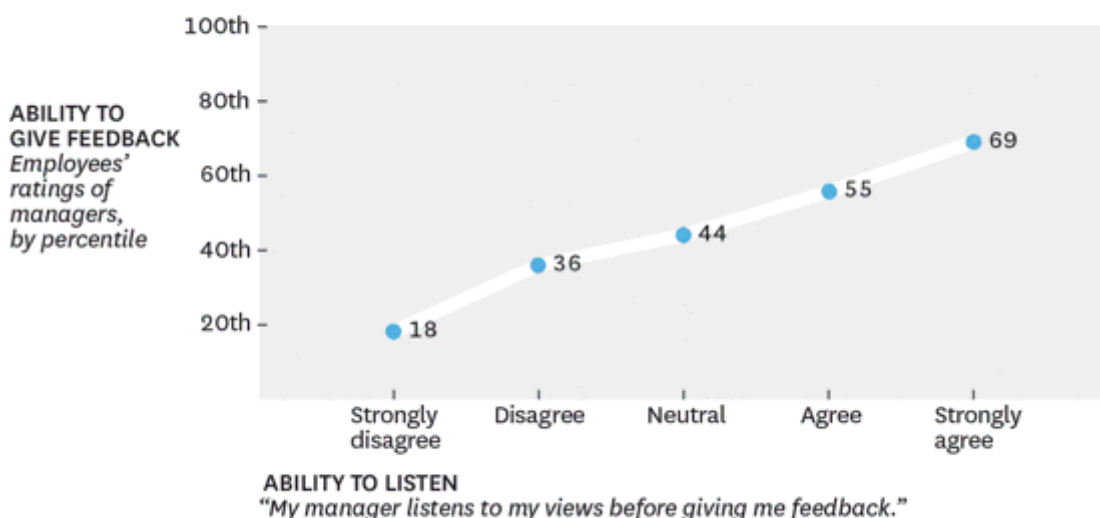# Two Deadly Assumptions That Make Giving Difficult Feedback Even Worse

Many leaders find courageous conversations to give corrective or redirecting feedback very difficult. Emotions can get in the way, perceptions of the issue can differ widely, relationships may be damaged, and reactions can be volatile. Leaders may be scarred from past conversations where they gave or received tough feedback in a poorly structured and awkwardly delivered conversation that didn't end well.

With all the focus we've put on coaching and feedback skills this year, Zenger Folkman's research continues to uncover powerful and practical new insights. In their latest *Harvard Business Review* blog, "**The Assumptions that Make Giving Tough Feedback Even Tougher**", Jack

Zenger and Joe Folkman found two underlying assumptions that make giving feedback much harder than it needs to be:

1. **People Don't Realize There is a Problem** -- in fact, a ZF study showed that 74% of people knew they had a problem and were not surprised by the feedback.
2. **It's Best to Get it Over With Quickly** -- this mistaken idea of a quick reprimand often contributes to what's been cynically called "Seagull Management" -- the manager swoops down, squawks and craps, and flies away. This chart shows just how misguided the "let's get this over quickly" assumption really is. This comes from a ZF global study of how well managers listened to the other person's side of the issue and how effective the feedback was rated to be.

The More You Listen, the Better Employees Think You Are at Giving Feedback

ABILITY TO GIVE FEEDBACK
Employees' ratings of managers, by percentile

- Strongly disagree: 18
- Disagree: 36
- Neutral: 44
- Agree: 55
- Strongly agree: 69

ABILITY TO LISTEN
"My manager listens to my views before giving me feedback."

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Coaching and developing others is a critical leadership skill. Feedback is a core coaching skill. That's why Zenger Folkman's **2015 Extraordinary Leadership Summit and Coaching Symposium** July 21 – 23 in Salt Lake City features a coaching track. Jack, Joe, me, Brad Smith, and our other Zenger Folkman colleagues look forward to seeing you there.

Tweet Reading: Recommended Online Articles

This section summarizes last month's LinkedIn Updates and Twitter Tweets about online articles or blog posts that I've flagged as worth reading. These are usually posted on weekends when I am doing much of my reading for research, learning, or leisure.

My original tweet commenting on the article follows each title and descriptor from the original source:

With over 136,000 leadership books at Amazon we need evidence-based approaches to identify what works and doesn't.

"Sense and Nonsense in Leadership Development" -- Jack Zenger
www.Forbes.com
"There is a great deal of nonsense that has been written about leadership. If we are to really advance the practice of leadership we must adopt the fundamental premise that propelled the reform of medical practice as well."

New ebooks: Playing the Whole Game -- Leadership Lessons from Sports and Business and Five Practices of Winning CEOs

Zenger Folkman Complimentary Leadership E-Book Series
www.Zengerfolkman.com
"Conversations with industry experts and how they are addressing today's toughest leadership and development questions. Learn how leadership principles apply to all types of organizations."

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 a leadership book**. 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@ ClemmerGroup.com** or connect with me on **LinkedIn**, **Twitter**, **FaceBook**, or my **blog**!

May the Force (of strengths) be with you!

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