

the WATERCOOLER

straight talk on strategic issues

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The Simple Difficulty of Being a CEO

By Patrick Lencioni

Words from the Wise:
An Expert's Viewpoint

Smart people sometimes overcomplicate life's problems. Many business leaders, saddled with a great deal of responsibility, mistakenly assume that solutions are evasive and subtle when the answers are right in front of them, buried in common sense. While searching for the answers, however, it's very important for leaders to avoid the five temptations that lead to eventual failure.

Temptation #1

The first is the tendency to **enjoy the status of the role of leader**. The problem is that it inevitably distracts leaders from the only real area where they should be focused: results. The executives I've worked with who give in to the lure of power and status create an environment in which their people make decisions for all the

wrong reasons: to curry favor or to position themselves for promotion and reward. On the other hand, executives who never lose sight of measurable results keep their people and themselves focused on producing. And that is what leading is all about.

Temptation #2

The next temptation has to do with the dangerous **need to be well liked** by those we lead. This makes us hesitate to hold someone accountable for behavior or failure to deliver results. Too many CEOs avoid giving the feedback needed to improve. This temptation is particularly challenging in small companies; the prospect of alienating a staff member who is also a friend can make even the most results-oriented executive balk.

Temptation #3

The third temptation troubles analytical executives more than others – the need to ensure that their **decisions are accurate, precise, and correct**. This creates paralysis when leaders wait to get enough information to be sure about decisions. Employees lose heart, and executives lose confidence because a leader was afraid to make a tough call in the face of imperfect information.

Please turn to page 7.

Leadership takes discipline, courage, humility, and a willingness to make things simple.

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The "Power" of Engagement at FirstEnergy

Having Authentic Conversations

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The “Power” of Engagement at *FirstEnergy*® By Ellen Boyd

In a complex, fast-changing industry, it's hard to communicate a clear strategy. It's harder still to engage 14,000 employees in executing it.

FirstEnergy Corp. is a diversified electric company headquartered in Akron, Ohio. Our seven companies comprise the nation's fifth-largest investor-owned electric system, serving 4.5 million customers.

Our most recent employee engagement survey had revealed that employees wanted to know more about where the company was headed, how we intended to get there, and what part they played in the business. Because we had worked with Root Learning in the past, we contacted Root to design a program that would increase engagement by helping all employees better understand the changing utility industry, FirstEnergy's strategies, and each employee's contribution to our future success. We planned a program that would begin with the alignment of the executive team around the key strategic messages and cascade throughout the organization to all employees.

In the summer of 2005, top executives were interviewed separately by a Root team about the company direction. In an alignment session, they articulated the strategy, identified day-to-day behaviors that could prevent us from executing the strategy, and defined the Rules of Engagement – 10 simple rules designed to address these behaviors. The Rules have resonated with leaders and employees, and were quickly

accepted as our guidelines for how we do business. In 2006, the Rules were incorporated into our employee competency model, and in 2007 they will be included in performance appraisals.

We launched the project, which included four *Learning Map*® modules, with the top 200 leaders in the fall of 2005. In the first quarter '06, we



trained a team of 300 facilitators and rolled out the modules to the next level of 500 managers. The facilitators went on the road and had trained more than 13,000 employees by December. Executives and local leaders attended every event – to kick off the session, address questions, and interact with employees. Employees said this sent a strong message about the executives' commitment, and executives said they learned a lot by hearing directly from employees.

As a result, our people report that they better understand the strategy and how they or their workgroups fit into the overall direction. The 2006 employee engagement survey supports this with facts. For example, the percentage of employees who agreed with the statement, “I can see a clear link between my job and company goals” increased by more than 40%. Other areas showed similar improvements in understanding and in overall engagement. Employee comments were equally enthusiastic: “It is so positive to see that upper management listened to us.” “I’ve been with FE for 30 years, and never have I felt more appreciated.” “Sessions like this have the amazing potential to educate, unify, and redefine the company culture.” But the greatest value that we’ve seen, over and over, is that we could learn from each other by bringing everyone together for these sessions.

And this was just the catalyst for growing a continuing culture of engagement at FirstEnergy. Our President and CEO Tony Alexander said, “It’s really no longer a matter of asking ourselves, ‘Will this be a success?’ Instead, we’re now thinking about how we can build on this sort of learning and sharing so employees can tap into our key resource – one another – all across our company.”



Fostering Authentic Conversations:

Critical to Effective Leadership By Rich Berens

Have you ever been in a meeting where all the “real” conversations actually happened before or after, or during breaks?

Well, you’re not alone. At dozens of Fortune 500 client organizations, the real issues or “sacred cows” are primarily discussed at the water cooler or just about any other place but the meeting itself. A survey by Microsoft* found that the average worker in the U.S. spends **5.6 hours per week in meetings**, and that 69% of meetings are ineffective.

Meetings can be ineffective for a variety of reasons, but the lack of authentic dialogue is one of the most critical factors preventing rapid and effective execution at the leadership level. The reasons for this:

- There is often perceived or real **political risk** associated with speaking true opinions or going against conventional wisdom.
- Having authentic dialogue can be **uncomfortable** and is harder than not doing it.
- There is a perception that **nothing ever really happens** when opinions or suggestions are provided.

You can significantly impact the quality of conversations in your meetings with a few techniques.

*Source: CNNMoney.com, March 16, 2005

1. Model authenticity and be comfortable with discomfort yourself. If you want your team to bring up and work through the difficult issues, you will need to model that behavior yourself. Raising real issues and working through them with your team is not a weakness, but a strength.

2. Practice authentic dialogue with your team. Practice makes perfect. Give your people the opportunity to practice having difficult conversations. Take 10 minutes in a meeting and ask people to rotate, giving each other feedback on a relevant topic for 60 seconds each.

3. Reward authenticity when you see it. If you see someone stepping into the zone of discomfort to introduce real issues, acknowledge it and appreciate it within the team. This action will reinforce the fact that you value authenticity.

4. Always follow up on the issues raised. Even if no action is taken, state the rationale. Your team will appreciate that “sacred cows” were considered and discussed.

A high-performance team that executes better than your competition must be able to have real conversations in real time. By following these techniques, you can get the real issues on the table faster and resolve them more effectively.

Rich Berens is Vice President/Client Services for Root Learning.

“Boss from Heaven” Modeled Authenticity

To see how “authenticity” works, consider this response to our request for Boss from Heaven/Hell stories:

My first job out of college proved to be very positive due to an exceptional leader and strong team. I worked for a man who literally built his career from the ground up. Because of this, he was able to coach young people in building a solid career foundation for themselves. He rewarded employees for good work and even moved them up the corporate ladder with him if he saw that they demonstrated commitment and initiative. More important, he was thankful for hard work and appreciated those who worked for him. On the contrary, he challenged employees to take responsibility for their actions and work. If an assignment was not up to his standards, he took the time to review and explore how things could have been done differently. He was truly an inspirational human being and exceptional leader.

Danielle Maggio, Communications Manager, Lafarge North America, Herndon, Virginia



Building My Own Castle

An organization can't change unless everyone has an honest assessment of the current behaviors and takes accountability for new ways of behaving in the future. This exercise will highlight the behaviors that limit your organization's ability to create a trusting, connected, high-performance team.

1. What's happening in the scene? Describe the images and read the quotes.
2. What images or quotes would you add to represent a true mirror of how you operate today? Add them to the illustration.
3. What comments or images are most relevant to you?
4. Why do you think these realities exist?
5. Which of these behaviors have you consciously or unconsciously allowed or enabled? What was the impact on the organization?
6. If you could rename the picture, what would you call it?
7. How does the picture need to change if you are to take our collective capabilities to the next level?
8. What can each of us do to ensure that the picture changes in the ways you just described?

What You Are Waiting for Will Never Come

By Jim Haudan

As a strategic learning consultancy, we are often invited into senior team meetings to demonstrate how we can help them engage their people in executing new, emerging strategies. What leaders most want to know is how to get their people to understand and own the strategy so they'll change their behaviors and bring the strategy to life.

After passing the obligatory relevance-and-credibility tests in these sessions, we often find ourselves taking a risk. We suggest that what they are waiting for will never come! We tell them that **senior teams need to go first, to exhibit the alignment and behavioral changes necessary to lead the change that they expect in others.** After working with dozens of senior teams, we continue to find three root causes that keep senior teams from aligning and behaving in a way that ignites their organization's capability to think and act differently. Senior leaders:

- Are **not aligned** on the key strategies, as the words often mean different things to different people.
- Tend to **own their piece first**, and not the whole.
- Haven't made the **behavioral commitments** to each other that are necessary to lead as a team.

You may well ask how intelligent men and women can spend months and even years discussing and deciding on their strategies...and never be aligned on what they *mean* – for the organization, for their areas of responsibility, and specifically, for them personally. It happens every day.

Misinterpretations between leaders are common as any plan drops down

into the details of execution. Leader alignment requires exploring exactly what is meant by the strategic decisions being made. Alignment is forged by a senior team's ability to talk in pictures about exactly "what implementation looks like" to each team member. The greater the detail in the picture, the more quickly a team can ferret out inconsistencies, misunderstandings, and competing interpretations. This step is often called "creating common mental models," and it's frequently skipped after the tough decisions have been made. The presumption is that the hard work is complete; the reality is that it's not.

Senior leaders are promoted and rewarded for what they do well – operations, sales, finance, IT, or human resources. Senior leaders make it to the top of their organizations because they represent the very best talent in a function, a region, a distribution channel, a customer relationship, or leading a business unit. The problem is that this intense specialization often tempts each member of the team to place their individual pieces before the whole. The key is **not just to have a team of all-stars, but to knit that team together** so the sum is greater than the parts. In many

organizations, you can find 12 senior leaders, each with an individual IQ of 160. However, their *collective* IQ is 22. How can that happen? As a team, they are not aligned on the simple premise that they must own, work for, sacrifice, invest in, and lead the whole first, and their piece second. Leading with the ownership of the whole is a prerequisite to the alignment necessary to execute any strategy successfully.

Leading change requires a commitment among all members of a senior team to behave differently – collectively and individually. It requires that **they take the same risks they expect their people to be taking.** A change in strategy always requires a change in senior leader behaviors to bring that strategy to life. Sometimes this means a revision of behaviors that are no longer practiced. Sometimes it means creating a brand-new set of behaviors. It is this creation of a behavioral contract among a senior team that signals to the rest of an organization that they must make emotional and behavioral changes as well. Senior teams frame these behavioral ground rules as a way to impart clarity, accountability, and support to each other so they can lead as a unified team.

Jim Haudan
is President and CEO
of Root Learning, Inc.



Leading change requires a senior team to behave differently.

Industry Conferences and Events

Check the Root website (www.rootlearning.com) for upcoming Root-sponsored Thought Leader Summits!

The Conference Board Leadership Conference on Global Corporate Citizenship as a Growth Driver

February 27–28, New York
www.conference-board.org

The Conference Board Asia-Pacific Human Resources Conference – Adding Value to the Business – H.R.’s Leadership Role

March 15–16, Hong Kong
www.conference-board.org

The Conference Board Leadership Experience at Normandy

April 17–21, Paris & Normandy, France
www.conference-board.org

SHRM Annual Conference & Exposition of the Employment Management Association

April 23–25, New Orleans
www.shrm.org

ISPI 2007 International Performance Improvement Conference

April 28–May 3, San Francisco
www.ispi.org

2007 American Society for Training and Development International Conference and Exposition

June 3–6, Atlanta
www.astd.org

The next issue of *The Watercooler*, featuring employee engagement, will arrive in April.

The Simple Difficulty of Being a CEO, *continued*

Temptation #4

The fourth temptation is the killer of good decision-making and creativity. It’s the tendency to **preserve harmony** even when a good fight is just what the doctor ordered. I’m talking about passionate ideological discussions, even arguments, on issues that every company must face. Employees with strong opinions often care the most about the organization and should be encouraged to air their points of view. This ensures that all ideas are mined and creates buy-in among employees who are allowed to have their say.

Temptation #5

The need to maintain **an air of invulnerability** is natural, but deceptively dangerous. “Don’t let them see you sweat” may be appropriate for actors or salespeople, but not for leaders. Employees want to see their leaders as human beings so they can be comfortable

being human. When a CEO is never wrong and never weak, employees emulate that behavior. The result is a never-ending posturing exercise where real dialogue and decision-making die.

Is it easy to avoid these temptations? Not by a long shot. Is it complicated? No way. It’s just plain difficult to do, but it doesn’t take an advanced degree. It takes discipline, courage, humility, and a willingness to make things simple.

Patrick Lencioni’s books, including *The Five Dysfunctions of a Team*, have sold nearly two million copies. The Dysfunctions model has been embraced by organizations ranging from the NFL to small-town churches.

This article has been excerpted. To read the original, go to <http://www.rootlearning.com/thewatercooler/>



And the Survey Says...

Today, many companies are conducting employee engagement surveys. Is your company one of them? What surveys are you taking? What are you doing with the information? Complete our online survey questionnaire and see how your company compares to others in our April issue on employee engagement. If you're one of the first 25 to respond, we'll send you a complimentary copy of our featured expert columnist Patrick Lencioni's book, *The Five Temptations of a CEO*.

Get *The Five Temptations of a CEO* for FREE!

Visit us at <http://www.rootlearning.com/thewatercooler/> to check a few boxes about surveys that your organization is implementing.



Nothing astonishes men so much as common sense and plain dealing.

— Ralph Waldo Emerson



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