

Leadership Series - #3

White Paper

Leadership That Drives Results: Foundational Attributes That Create Uncommon Leaders

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I. Leadership That Drives Results: Introduction

In 2004, I was given the responsibility and distinct privilege of leading my company's soon-to-become largest division. I had been with the company for almost ten years and had held numerous leadership roles as we were growing our company. Prior to being named President of the division I had been a Regional VP for two regions responsible for sales and client relationships. The division I had been asked to head up did not exist prior to March of 2002 when our company began an aggressive acquisition campaign. By this time, we had completed four of our eventual seven acquisitions in this particular market space (ultimately the company completed a total of twelve acquisitions before being acquired in 2007). One of the key issues at the time was that this division did not feel connected to the rest of the company and its vision. The leader of the division, prior to my arrival, had come from one of the acquisitions and either could not or would not connect with our CEO, value the employees of the other companies that had been acquired, or fully understand what was necessary to integrate, merge, and lead disparate company cultures into a single, unified culture. In addition, the industry we serviced with this division was a slower growth, lower margin business than any we had been in before. Since we were a publicly traded company, there was tremendous pressure for growth on the top and bottom line from each division and service line. All of our acquired companies had been privately held, and the employees of this division were struggling with the intense focus on earnings per share.

With this backdrop, this opportunity presented a tremendous challenge that would ultimately mean leading 1,200 employees that serviced almost 9,000 clients. Rather than continue a specific narrative about this company, this white paper will be a summary of three of the main leadership attributes we used as a leadership team to get the results that led to our accomplishing tremendous goals, investing in and developing our people, as well as growing our top and bottom lines.

II. Leadership That Drives Results – Where Are You Going?

Some people believe that “vision” is overrated. I don’t. In fact, I believe that it is the most important attribute of leadership that drives results. A very wise man named Solomon said, “If the people lack vision, they perish.” What did he mean? If you are running a team, a division or a company, your people need to know what the destination is. They need to know where you’re going, what their role in the destination is, and how and where they fit in with the overall vision. Most importantly, it is critical that they know what they do contributes to that vision. In their book *The Leadership Challenge*ⁱ, Jim Posner and Barry Kouzes call this attribute “inspiring a shared vision.” (p.109) It’s one part inspiration and one part vision combined for a compelling future that your employees can see and can hear. I believe it is fundamental to human nature that we have an understanding of where we are going so that our compass is aligned. It also helps establish the values and the culture of the company and gives another point of reference by which leaders and employees know if there is alignment and connection. It becomes very hard for an employee to stay with you if he does not believe in where you are going and how you’re getting there.

Another key element of having a vision as a leader is communication. I believe in themes and rallying points for your employees and the organization. You can use themes in a way that allows your employees to fully understand where you are going and how they contribute. In addition, the mantra “repetition is the mother of skill” fits with communicating the vision. It has to be communicated often and consistently so there is no ambiguity or misunderstanding of the direction you’re asking your team or organization to go. If it is communicated on a regular basis and becomes part of the “brand” or “identity” of your division or your company, your employees will fully understand what is important and why it’s important.

Finally, with regard to vision, there has to be “buy-in.” It doesn’t mean that you as the leader can’t establish a vision without assistance from your team; but if your leadership team doesn’t believe in the vision you’re articulating, then you’ll fail. I’m not suggesting a particular method for determining the vision of your team, organization or company, but just realize that it has to be believable, attainable, and significant.

III. Leadership That Drives Results – Invest In People!

Jim Collins documented in his landmark book *Good To Great*ⁱⁱ (p.41) that his team's research into highly successful companies showed that it was "people first, strategy second." In other words, you can have the best ideas, the best services, and the best of everything else; but without the right people executing your strategy, servicing your clients, and taking your ideas to market, you will not succeed. In the publicly traded world, there is an apparent lip service paid to investing in people. They talk about, implement programs, and report to the shareholders that "people are our most important asset." However, at the first sign of an earnings miss, what happens? People are sent packing; the training and education budget is slashed; and the mantra of people first is exposed for what it is—just another corporate, feel-good slogan.

It takes courage, guts, and the willingness to stand up to the Chairman, CEO, Board of Directors, and/or the shareholders to really institute a culture where people are invested in and valued. From personal experience, I can tell you that if you want to make a difference in your company and its results, figure out what it would mean to truly contribute to the welfare, education, training, and leadership of your people. What would it look like to really INVEST in them as people first and not use them as tools to get more revenue or gross margin? The essence of Matthew Kelly's book *The Dream Manager*ⁱⁱⁱ is if you have employees who are helping you fulfill your dreams to build a company or run a division, then find out what their dreams are and help them to fulfill them. It's a radical, novel approach but one that works. I firmly believe that if you invest in your people, you and your company will achieve uncommon results that will surprise even the most optimistic leader! Here's the caveat though; it won't be easy, and you probably won't see immediate results.

That's why so many companies and leaders talk a good game; but when revenue and earnings are at risk, people become the first "commodity" to be affected. During this most recent economic downturn, companies have terminated employees by the millions and in the process have damaged their brands and their reputations.

However, there are a few companies that have made it their foundation to invest and care about employees first. SAS, headquartered in Cary, NC, was Fortune's number one on their Top 100 companies to work for in 2010 and has been on the list each year for the thirteen years the list has been produced^{iv}. Jim Goodnight is the founder and only CEO in SAS's 34 year history and he has helped create a culture based on "trust between our employees and our company." Their employee engagement is legendary and the company has created an environment where their employees know they are valued and ultimately cared about as people first.

The "perks" employees enjoy are people-centered and expensive to provide but SAS is proof that a "people first – profits will follow" focus works as they are one of the most successful and profitable privately held companies in America.

IV. Leadership That Drives Results – Positive Energy!

The final attribute for this discussion on leadership that drives results is positive energy. Some people may label it charisma, charm, personality, or extroversion; but many successful leaders don't have charisma or are not extroverts; however, they do produce "positive energy." Bernard Bass, who studied and wrote extensively about leadership and specifically Transformational Leadership says that charisma is essential to creating a transformational environment. In the fourth edition of his book *The Bass Handbook of Leadership: Theory, Research and Managerial Applications*^v he states that the charismatic leader is likely to be transformational, but it is possible — **although unlikely** – to be transformational without being charismatic." (p.620) However, I believe that charisma in and of itself is not foundational to leadership that drives results and can even have a negative connotation. Some of the most charismatic leaders have turned out to be crooks!

The better term is **POSITIVE ENERGY**, and it is your responsibility as the leader to create positive energy that lets people know that they matter, that allows you to create meaningful bonds with them, and lets them know that they can count on you. They see you "lead from the front"; and if you do it with honesty and integrity, you will not only achieve remarkable results you'll attract the right kind of talent. You create an atmosphere where people are inspired to come to work and are "engaged"! The Gallup organization has done extensive research into employee engagement and cites this startling statistic: *Gallup's engagement ratio is a macro-level indicator of an organization's health that allows executives to track the proportion of engaged to actively disengaged employees. In world-class organizations, the ratio of engaged to actively disengaged employees is 9.57:1. In average organizations, the ratio of engaged to actively disengaged employees is 1.83:1.*^{vi}

Positive energy by leaders will create an environment that inspires people to be their very best each and every day. If a leader doesn't bring a certain amount of positive energy into the workplace, how can she expect her people to create positive energy to new initiatives, changes and clients? One other subtle outcome of creating positive energy is that it quickly exposes those that aren't on the same page. If you, as a leader, can create that positive energy each day, it is contagious and flows outward; and those that aren't buying in or have different agendas will have no place to hide. The "unengaged" employees will have a difficult time not being exposed and will probably seek employment elsewhere. Remember, in the first section the comment was made about leadership being "one part inspiration and one part vision." That's the powerful combination of positive energy tied to a compelling vision that ignites results and unleashes people to become their very best!

V. Summary – Is It Really That Simple?!

The short answer to the above question is yes. The long answer is that we all know there is much more to leadership that drives results than the three attributes I've discussed. If you want proof of that, then buy the book by Bernard Bass that I referenced earlier. It's over 1200 pages on leadership with almost 300 pages of references, and it's the fourth edition written over a span of thirty years! I do believe though that these three attributes are foundational for leadership that drives results and creates a legacy of uncommon leaders. The key word is foundational not comprehensive.

In the introduction, I gave a brief synopsis of my executive leadership experience of merging seven cultures into a single, unified culture that produced remarkable results. About a year after I retired in 2008, I interviewed 25 people that had been key contributors as members of our leadership teams. I asked them to tell me why they thought we were able to effect such radical change and create a legacy of leadership that has been sustained long after my retirement. This article is a summary version of what they told me mattered and made the difference. Yes, there were many other attributes they mentioned, but these three were discussed in some form by everyone that was interviewed. This white paper is my attempt to recognize and honor all of the people that contributed to our success. It was a definitive team effort that made a difference in the lives of many people.

I am most proud of the fact that every employee in our division knew and shared our vision, and understood that their work contributed to that vision. They also knew that they were important. We invested in them beyond the standard job and skills training and education. We helped them become better people along the way.

VI. In Memoriam

One of the people that became a key contributor to our success was Vanessa Carroll. Vanessa had come to us through one of our first acquisitions and was located in our Las Vegas office. Our last acquisition in this market space was in late 2005, when we acquired an office in Denver. Initially, we attempted to keep some of the key leaders from the acquired company in place, but that did not work out. We turned to Vanessa and asked her to move to Denver and lead the charge. Vanessa embodied everything I've written about in this white paper and more. She turned the Denver office around in less than 90 days. She was a definitive uncommon leader, communicated our vision, invested in her team, and brought an exceptional positive energy into the office each and every day. As good as any of us thought we were as leaders, we all stood back and marveled at how effective and dynamic she was in such a short amount of time. It was a highlight of our progress as we watched someone step up to a leadership role and thrive.

Unfortunately, Vanessa passed away in 2010. It was a shocking phone call that I received in July and heard the news. Afterward, I went to my book where I had recorded the interviews of our leadership team and found the notes from our conversation. She was humble as a leader. She deflected any compliments and gave her team all of the credit. It was typical Vanessa. It wasn't false humility. She really cared about her people, and she really cared about making a difference. Her legacy as a leader will live for a long time. It's hard to understand sometimes why people like Vanessa leave us so early. Our attempts to question leave us with us so many unanswered questions. Vanessa was a person of faith and came from a big family. I can only imagine the legacy she has left with them. May God bless her family and thank you for giving her to us for the time that you did.

VII. About The Human Capital Initiative

The Human Capital Initiative (HCI) (www.humancapitalinitiative.com) is an Atlanta-based management consulting firm. We have two areas of focus: **people powered solutions**® and Human Resource Services. We work with individuals and corporations to help establish a focus on driving results through investing in the number one asset any company has; its people. Our belief is that a people focus, above all else, is the critical component for establishing and creating a growing and thriving culture. In other words, people first and the profits will follow! In addition, we provide a full array of HR services consulting from Onboarding, Talent Management and Compliance/Legal.

We have developed a coaching and team dynamics practice around the concept of UnCommon Leadership™. Our UnCommon Leadership™ coaching program is a six month intensive program utilizing two main personality instruments and either one to one coaching and/or team coaching and development. We use two instruments as foundational components to this process: the Birkman Method® and the Social and Emotional Intelligence Profile (SEIP - from Dr. Laura Belsten). The Birkman Method® is one of the most highly validated motivational assessments on the market and provides for deep insight into the following areas: interests, usual style, needs and stress behaviors. A full understanding of a person is gained and “peak performance” is identified through the information of the components presented by the report. It also provides for unique ways to view team dynamics and interpersonal relationships so that the team or people involved can truly see the similarities and differences and have prescriptive information with which to build better and stronger teams and relationships.

The SEIP is both a self-evaluation and a 360° evaluation of as many people as is needed to gain the proper perspective in 26 social and emotional intelligence proficiencies in four major categories; self-awareness, self-management, other awareness and relationship management.

VIII. About the Author

Ed Chaffin, ACC is the Founder and President of The Human Capital Initiative. In 2009, he established HCI to follow his passion of helping others invest in themselves, their teams and their organizations and to live out his mission of “***changing the world one person at a time.***” Ed completed a successful corporate career in 2008 where, as President of his previous company’s largest division, he took seven disparate cultures and using the mantra of leadership starting with a servant’s heart, helped mold the division into one with a common purpose – providing the best possible service to 9,000 clients. The division achieved tremendous success and became the best performing division of the company. Client retention reached the highest levels possible; and revenue and gross margin growth and profitability achieved and surpassed all goals. Ed’s focus was on his people—investing in them, coaching and mentoring them, and guiding them to reach for seemingly impossible goals. And, they kept hitting those goals, resetting the bar, and building the business to \$150 million annually!

In addition to his Executive Leadership, Ed is an accomplished sales person and sales leader. He was the number one salesperson for a technology company for two consecutive years. He has established and led large sales and service organizations and is a twenty-year veteran of utilizing Miller Heiman’s selling models such as Strategic Selling.

Ed is a certified Birkman Method® consultant, and certified in Dr. Belsten's SEIP instrument and believes that any organizational success starts with its leader(s) becoming truly self-aware. The Birkman is one of the best motivational, and relational assessment tools on the market and the best method to start investing in yourself and your people. He has also completed the Core Essentials Program (CEP) at Coach University and has achieved the Associate Credentialed Coach certification (ACC) by the International Coach Federation (ICF). He is currently enrolled in the Advanced Corporate Coach training and is working toward the Master Certified Coach certification.

In addition, Ed and HCI began an affiliation with Dr. George Kohlrieser, the professor of leadership at the Institute of Management and Development (IMD) located in Lausanne, Switzerland. Dr. Kohlrieser leads one of the most successful executive development programs at IMD called High Performance Leadership (HPL). Ed attended the HPL program in May as an executive and was invited to become a coach in the program. In September, he completed his first assignment as an executive coach and will be participating in numerous HPL events in 2011. This program is based on Dr. Kohlrieser's highly successful book *Hostage At The Table; How Leaders Can Overcome Conflict, Influence Others, and Raise Performance*. In addition to coaching in the HPL program, Ed has incorporated many of the philosophies and ideas into his own executive and business coaching practice.

Ed is a native of Georgia, but grew up in Charleston, SC, where he studied business administration at the College of Charleston. He has completed an Executive Development program at the Wharton School of Business and the High Performance Leadership program at IMD.

IX. References

ⁱ - James M. Kouzes, Barry Z. Posner (2002) - *The Leadership Challenge* – Third Edition. Chapter Five, p. 109.

ⁱⁱ – Jim Collins (2001) – *Good To Great*. Chapter Three, p. 41.

ⁱⁱⁱ – Matthew Kelly (2007) – *The Dream Manager*.

^{iv}- 100 Best Companies To Work For. CNN Money website. Retrieved January 1, 2011 from <http://money.cnn.com/magazines/fortune/bestcompanies/2010/snapshots/1.html>

^v – Bernard Bass (2008) – *The Bass Handbook of Leadership; Theory, Research and Managerial Applications*. Part V, Chapter 22, p. 620.

^{vi} – Employee Engagement: A Leading Indicator of Financial Performance. Gallup website. Retrieved January 1, 2011 from <http://www.gallup.com/consulting/Employee-engagement.aspx>
