

VINCE MOLINARO

THE *fine print*
OF LEADERSHIP



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What is leadership? And is it worth dying for?

These are two questions that I had to ask myself very early in my career.

My first full-time job after university was with a large public sector organization. The organization did important work – helping some of the neediest people in society improve their lives by getting back to school or find a job.

However, what I immediately noticed was that the day-to-day climate at work was bland and extremely dull.

The employees, while dedicated to their clients, would show up at 8:30 a.m. in the morning and leave exactly at 5:00 p.m. sharp every single day. It seemed that they had little reason to put in more effort.

The managers appeared to be decent individuals, but they were administrators of policies and procedures in a bureaucratic organization. They did what they were told – respected the hierarchy and their place in it. There was little inspiration coming from them.

Within a month of starting, I began questioning whether this was the place for me. You see, I had done what I was supposed to do. I went to university, got good marks, and landed a full-time job within a large organization. All I

had to do now was be a loyal employee and the organization would take care of me until I retired. It was called “job security.” That was the employment contract of the time and it served well for a generation. However, I was already starting to see holes in it.

As the months continued, I began to feel less and less excited about being part of that organization. While my job was interesting, I didn’t sign up to do just a good job – my aspirations were higher. I wanted a work environment that was compelling. Then something happened that began to change things for the better.

A senior manager named Zinta approached me one day. She was a quiet and reserved individual who I only knew from a distance. During our discussion she told me that she was aware of the good work that I was doing with my clients. She also said she suspected that I wanted to have a greater impact on the organization. I agreed. Zinta told me she was setting up a few committees to work on making the workplace environment more positive. She asked if I’d be interested in helping her out. I naturally jumped at the opportunity.

Over time as our work began to take effect, things started to improve. Employees began to display more enthusiasm. The environment felt more motivating. I learned that the culture of an organization could in fact be changed in a positive direction and that one leader could make a difference.

Things were going pretty well, until disaster struck – Zinta was diagnosed with cancer. She had to leave to start her treatments. And no sooner did she leave, that I noticed things began to revert back to the way they used to be. It was remarkable. Management disbanded all the committees Zinta had started. They told us to keep focused on doing our own jobs, and leave the organizational stuff to them. My own level of engagement began

to erode. I became more and more confused. I couldn't quite understand why management wouldn't want us to create a better work environment for employees.

Zinta was away for many months. It wasn't looking good for her. One day, I decided to pay her a visit at her home. She asked me how my job was going. I kept things superficial at first, but she kept pressing. Then I shared the frustration and confusion I was experiencing. I sensed she already knew what I was going to say.

She then opened up and shared with me things that completely surprised me. She talked at length about the petty office politics she had to endure. She talked about the discouraging atmosphere, the lack of genuine trust that existed among her peers and fellow managers. She described her regular battles with upper management that resisted her every effort to make the organization better.

She then said something quite startling. She believed her illness was a direct result of all the politics and stress she had experienced over her career as a manager in that organization.

I was stunned by what I heard. As I left Zinta's house I grieved for her. I became angry. I then began to think about what her words meant to me. Maybe I didn't really belong in that organization after all. If I stayed, would I be prepared to pay the huge personal price in exchange for a secure job?

Three weeks after my visit, Zinta sent me a letter. That was the kind of woman, the kind of leader, she was: in the midst of her struggle to survive, she took the time to reach out to a young colleague who needed some encouragement. When I think about what it means to be a leader, I think about her letter.

Here's what it said:

Vince,

I understand you may have received a mixed message recently regarding your objectives.

Success is a funny thing. Like physics, every action has a positive and negative reaction. On one hand, success has the effect of giving one a sense of achievement, pride in the accomplishment, affirmation of skills, and promotes a desire to expand to the next horizon. The other side is the reaction from others. Some will rejoice in your achievements. Others, perhaps because of their own insecurities, will feel threatened. These people will inadvertently or purposefully make moves to discourage you, undercut the significance of your success, or redirect you to paths that are less threatening to them. Some people are jealous of others' success. (Why does he get all the "breaks"?) Little do they realize that opportunity exists for everyone.

The choice remains yours. Which of the above will influence you? I encourage you to always be the best you can and take advantage of opportunities as you find them. You have everything to gain.

Hope this helps,

Zinta

Zinta died two weeks after I received this letter, and the organization died along with her. It returned to the uninspiring environment that I had first joined. I learned that while one leader could make a difference, they couldn't sustain culture change completely by themselves. I knew what I had to do for myself and several months later I left to start my own consulting business.

That letter changed my life. Because of Zinta's inspiring words, I've spent the last 25 years working to create compelling and successful organizations. I've done this through my consulting work with senior leaders, through research and by writing about leadership. I've also personally committed to being the best leader I could be in my leadership roles and setting high leadership expectations for my own teams.

How you've thought about leadership is not how you need to think about leadership

In those 25 years I've had the privilege of working with some great leaders. I've also seen a lot of ineffective and just plain bad ones.

Even 25 years ago it was obvious to me that we could do a lot better.

As I look back, it is clear that for a generation we've relied on a heroic model of leadership. You know the one – where one leader has all the answers and could single-handedly lead the way. In some cases it works because the individual is an extraordinary person. But in most cases I found it doesn't work.

What also was clear to me was that, for the vast majority of us, we actually had to put up with mediocre leadership. We did this in exchange for job security. We worked and lived in organizations with leaders who lacked vision, purpose and passion. Or we were led by bullies who mistreated employees because they believed that was the best way to motivate them.

To me, the real tragedy of all of this is that we've settled. We've come to expect too little from our leaders. Recent studies prove it by showing that only 7% of employees have trust and have confidence in their senior leaders. You can understand why, given all the high profile scandals that have occurred over the past few years. I keep asking myself, how can we ever get our organizations to succeed if so few employees believe in their senior leaders? It's a damning statistic.

So why do we tolerate it?

Leaders themselves feel this too. In fact, most leaders I work with say their experience of leadership is mediocre. They see opportunities where they can be better. They've come to expect too little from themselves as leaders. They have also settled. So why do they tolerate mediocrity?

We all know we need to get smarter about how we lead organizations, because the old ways aren't working.

Every organization I'm working with today knows that things have to change. They are all asking themselves a key question: "What is the kind of leadership we need to succeed in the future?"

Back when I was working with Zinta, it was too soon to have a critical conversation about leadership in the business world. We could and did get by with mediocrity. Why? Everything seemed easier. Growth was easier because there was plenty of capital. The Boomers who populated the workforce would put up with a lot in exchange for job security. Remember

that Zinta was a Boomer and she endured her situation. That was the Boomer thing to do, to persist and persevere despite the personal cost.

Now everything has changed. Growth is far from easy. The competition is fierce. Those Boomers we relied on are starting to retire (at least that was their plan until the financial crisis). And now we have Millennials demanding more from their organizations and their leaders. And they are just not prepared to put up with mediocre or bad leadership like the Boomers did.

We've run the course on the old model of leadership. And there's not better proof of this than the financial crisis of 2008 where the world learned what bad leadership can do. Unfortunately many people around the world are still living with the consequences of that bad leadership.

And since 2008, it's been getting harder and harder to get results. The competitive landscape has gotten pretty crowded. In any given industry, where there used to be a few players, there are now potentially dozens. New market entrants can come from anywhere, turn the business model on its head, and completely reinvent the marketplace. Today's market leader is gone almost overnight. Just ask Blockbuster or Eastman Kodak. Look at what's been happening to great companies like Sears or Research In Motion. Driving sustainable, long-term success is a challenge.

One recent study showed that only 11% of companies are successful at executing their business strategy. That means 89% of leaders are basically wasting their time. They're fighting over what the strategy should be, struggling to get buy-in, and ultimately failing to achieve their goals. Another study showed that on average only 5% of employees can even tell you what their company's strategic priorities are. Only 5%! No wonder companies are struggling to succeed.

In light of these realities, the other big question that my clients are asking themselves is: “How can we build sustainable competitive advantage?”

I believe that leadership, and more specifically leadership culture, has become the only real differentiator between the organizations that thrive and those that fall behind. Unfortunately, most companies still underestimate the importance of leadership. In fact, the way companies have thought about leadership is not the way they need to think about leadership moving forward.

Sure, companies have learned to invest in training and development because it's important. Some engage in succession planning, but only in a superficial way. Furthermore, I still see a focus on grooming individual leaders to be stars – or heroes – but that's the old way. In the end, the results still aren't there.

A few years ago, I worked with a client in the pharmaceutical industry. Through our leadership work, I met Simon, a young product manager. Simon was smart, well-liked, and very good at his job. As soon as the senior leaders noticed him, they promoted him. Simon was now responsible for the company's most successful and profitable product.

For a while, things went really well. Simon excelled in his new role. For about a year and a half, sales and market share were strong. Simon became the golden boy. He was held up as a model of what other workers should aspire to become. Other product managers were measured against him.

Then the trouble started. A competitor launched a new product at a dramatically discounted price. It surprised everyone – the market in that therapeutic area had changed overnight. Suddenly, Simon was under a lot of pressure to come up with a response. Unfortunately, he wasn't able to come up with a solution that worked. Market share took a significant hit. Six months later, Simon was fired.

The company believed that Simon had failed them. And to some extent, they're right: he did fail to meet that unexpected challenge. But I also believe that the company failed Simon. They were mesmerized by their new star, but they failed to support him. They may have even promoted him too quickly. They focused too much on the short-term results he was getting, and didn't bother to teach him how to translate that initial success into a sustainable long-term plan.

This old heroic model of leadership is ultimately not sustainable. In fact, that's what Zinta got wrong – she was trying to turn things around all on her own. She started a change, but couldn't sustain it. And maybe the stress of trying to be a hero – a Lone Ranger – eventually killed her.

We've gotten away with an inadequate leadership model for a long time, but now we've come to the end of the road. When doing the same thing with the same people doesn't get you different results, it's time to change what you're doing.

At Knightsbridge, our research and client work shows that it's the leadership culture of an organization that makes the real difference. That's what provides the context for lasting success. That's what keeps leaders engaged in their work. It's what attracts and retains the best talent in your industry. Instead of building a culture of heroes and lone rangers, what we need is a *community of leaders*.

As one CEO client of mine put it recently, "If I can figure out how to get our top three layers of leadership truly aligned and engaged to our strategy, it will be our secret sauce, our edge in the market." He is not alone in this thinking. More C-Suite leaders are beginning to understand the power that a strong leadership culture can have for a company.

However in order to create that strong leadership culture, that community of leaders, each one of us needs to find inspiration within. We can't get it anywhere else. We can't wait for our CEOs to do it. We need to help them get started. We have to choose to be inspired. *That's the essence of the leadership contract.*

The Leadership Contract

Every employee has understood that there was an old employment contract. You know the one: you get a job, remain loyal, do as you're told, and the organization would take care of you until you retired. While that contract existed for decades, we know today that this is no longer valid – in fact it's null and void.

But do you know that there is also a leadership contract? Its terms and conditions are not so clear.

It's a lot like when you are surfing the Web. You are trying to get your work done, and then a window pops up and you see a bunch of text outlining a series of terms and conditions. You know that if you don't accept them, you won't be able to move to the next page. So you click *agree*, without ever reading the terms. We have many leaders today who just clicked agree to get the promotion, the higher salary, the power, the perks, without truly understanding the terms and conditions of the leadership contract.

As we look to the future, it is critical that leaders get clear on what the leadership contract is, what are its terms and conditions and reflect on whether they are really ready to sign their name to that contract.

The Four Terms and Conditions of the Leadership Contract

Leadership is a decision. *Make it.*

Tom Brady, the quarterback of the New England Patriots, has made it to five Super Bowls, winning three times – an amazing success story. But he wasn't always successful. As a college student at the University of Michigan, coaches and fans alike doubted his skills. He didn't have a strong throwing arm and his mobility wasn't that great. For his first two years on the team he was competing for the role of starting quarterback with another player, Drew Henson. Henson was a more naturally gifted athlete than Brady, and Henson started a lot.

Brady got so discouraged that he even started to think about transferring to another college. Then he had a talk with his coach, who told Brady to forget about Henson and focus on his own game. His coach didn't make Brady any promises; he didn't tell him to stay. But Brady walked away from that conversation resolved to prove himself.

Brady learned as much as he could about the game. He spent his nights watching extra game film. Of course, he kept working on his physical skills,

but it was his mental game he really took to the next level – his ability to read defenses and see open receivers. He improved his passing accuracy because he felt that would be more critical than a powerful arm.

When Brady chose not to transfer colleges, he decided to make himself a leader. In that moment, he started on the road to becoming one of the greatest NFL quarterbacks of all time. That decision made all the difference.

It's all too easy to forget that leadership is ultimately a decision. Of all the great leaders I've worked with, they all describe times in their careers where they made the conscious decision to be the leader. Unfortunately, in my work, I also see a lot of leaders who are simply filling the role without ever consciously having decided to lead, and accept everything that is demanded from it.

When you make the decision to lead, you will find it is a visceral feeling – you feel it and know it, and so do those around you. Given the challenges faced by today's organizations, I believe it's crucial that leaders make the active decision to lead. When they do this, like Tom Brady, they start to take their game to the next level.

Leadership is an obligation. *Step up.*

“Who is ‘the company’?” That's what one of my clients recently asked his colleagues.

We were in the middle of a workshop on leadership, and this senior vice president was trying to explain his idea of what it means to be a leader. He said that when he first became a manager in “the company,” he was thrilled to have the opportunity. But the longer he stayed in the job, the more frustrated he got. As a manager, he had a closer view of how the company operated than he had in his previous role. He could see bigger challenges

and he could see more serious dysfunctions than he had seen before. And he kept complaining, saying to himself, “This company has got to get its act together!”

For a long time, he believed the company was this “thing” – an external entity that was separate from him. He kept blaming the company’s senior leaders for the problems he was experiencing.

Then he said, “When I took on this senior leadership role, I realized ‘the company’ wasn’t a ‘thing’ at all – the company was me. I was the company.”

That was the moment of realization when he stopped being a manager and started being a leader. He stopped expecting someone else to come along and fix the company’s problems. He accepted the obligation of leadership – that a leader is one who takes accountability and who offers solutions, rather than blaming and complaining.

Being an effective leader requires a real commitment to leadership and the obligations it demands. Why? Because in the end it’s not about you – it’s about your customers, your employees, your shareholders and the communities in which you do business.

Becoming a leader means choosing to inhabit a new role – it means thinking and behaving differently, and rearranging your priorities. It means you can’t be a bystander in your organization. You must step up and roll up your sleeves to make things better every single day. That’s the obligation leaders take on whether they are aware of it or not.

Through my research and consulting work, I’m finding that there is an emerging set of common leadership expectations and obligations. Leaders today and tomorrow must be able to:

- 1. Align and engage.** You need to understand your company's strategy and your role in executing it. You must then align and engage employees so they can effectively deploy the strategy in a way that ultimately delivers value to customers, shareholders and to society.
- 2. Take an enterprise-wide perspective.** You must define your role and success at the company level. This means you will need to collaborate across silos and do what's right for customers and the entire organization. It's about a "one company" mindset that needs to be shared by all leaders in your organization.
- 3. Build relationships.** In our interconnected and interdependent world, relationships matter more than ever. So you have to invest time in getting to know internal and external stakeholders. You must also build relationships on a foundation of trust and transparency.
- 4. Master complexity and uncertainty.** Today's increasingly complicated business environment creates a lot of challenging situations and your role as a leader is to create focus and help employees deal with ambiguity and the stress it brings.
- 5. Develop other leaders.** You must leave a legacy of strong leadership within your organization that goes beyond yourself. It's about making your leaders stronger, so they can make the organization stronger.
- 6. Model the values.** You cannot be focused exclusively on your own personal agenda or team goals. The organization's vision, values and goals trump ego and self-interest. This means balancing strong self-confidence with humility. You also need to set the bar high on yourself as a leader because mediocre leadership won't cut it anymore.

Review this list and consider whether you are living up to each of the obligations in your current leadership role.

Leadership is hard. *Get tough.*

Let's face it – leadership is hard. Let me be more precise: leadership is hard if you commit to doing it well. It's pretty easy if you want to be a mediocre leader.

When you consider all the pressures that leaders face today: the pressure to differentiate your business from competitors, the pressure to manage complexity, the pressure to execute strategy, you can see why leadership is hard.

As a result, leaders need to get tough so they can effectively lead through all the pressure they encounter.

However I have found that leaders have misunderstood what being tough really means.

For some, it's about being resilient, similar to those old inflatable punching bag toys. You may have had one as a kid. The toys you can punch and punch and they just keep bouncing back up. You never progress beyond your original starting point, never creating forward momentum. You keep bouncing back to the same place, every single time. Leaders need to understand that this kind of resilience isn't enough. The kind of toughness leaders need is a real sense of personal resolve – an unwavering ability to see things to their successful completion.

Other leaders believe that being tough is about being rough on employees. Somewhere along the way, they've confused being tough with being rough.

A generation ago it was probably OK to mistreat people. You could do it, because you had power and the Boomers put up with it. However, if you

take the rough approach today you'll become a lonely leader pretty fast. Why? No one is going to put up with you. The Millennials won't, they'll just leave and the Boomers have learned from them as well. The bottom line is that if you are a jerk as a leader, your days are numbered. No one is going to want to work with you.

Yelling at people is easy. Being tough is much harder and based on my experience I don't think there are that many tough leaders around.

Here are the common complaints I hear from organizations everyday: our leaders can't make difficult decisions on poor performers, they struggle to hold people accountable, our leaders can't deliver candid feedback. Based on these complaints there's only one conclusion: we have organizations filled with wimps, leaders who are afraid to do the really tough stuff of leadership.

Holding people accountable is tough. Managing poor performers is tough. But instead of getting tough and dealing with these issues many leaders wimp out. What they don't realize is that they are not fulfilling their leadership obligation.

I worked with one woman who was a top executive at an IT firm. The company was struggling, and the executive team was going on a retreat to try to come up with a new strategy. This woman knew some tough conversations had to happen – the team needed to face up to some mistakes that had brought them to this difficult point. She made a list of the things she needed to say to the people who would be at the retreat.

However, she never did check a single thing off that list. Confronting her peers was just too difficult. It never seemed like the right time. Unfortunately, it wasn't just a failure of nerve on her part; it was also a failure of leadership. She didn't realize that by not having those conversations she prevented her

company from moving forward because those issues remained unresolved. She wasn't alone. All her colleagues were doing the same thing. That's why the company was struggling, why it remained stuck. What she and the other leaders in the company didn't realize was that they weren't living up to the obligation of leadership.

Leadership is a community. *Connect.*

Hurricane Irene hit the Caribbean, the U.S. East Coast, and parts of Eastern Canada in August of 2011. A couple of days after the storm, I was flying home to Toronto after a business trip. When I found my seat on the plane, I realized I was surrounded by a group of eight young men. I'm sure I wasn't the only one on the plane who noticed them – they were hard to miss. They were talking loudly, joking around, full of excitement and energy.

I chatted with them as we took off. The most talkative member of the group, Daryl, reminded me a bit of the lead singer in a band – brimming with charisma and effortlessly able to connect with people. He introduced the rest of the group and explained they were a line crew for a contract utility company. They were headed to Toronto to pick up some trucks and then drive to Connecticut to repair some electrical lines damaged by the hurricane.

This big mission explained why they were so excited, but as the flight continued I noticed something else about this group. They were constantly teasing each other. They shifted easily from talking about their personal lives to talking about the job they were going to do in Connecticut. It was obvious that they shared a deep connection. They weren't just friendly coworkers, they had a true bond and I could feel it.

I said to the group, “You guys seem really tight. Why is that?”

As soon as I asked the question, I could see Daryl’s demeanor change. He became still and thoughtful. He said, “Doing the kind of work we do, we’re taking our lives into our hands every single day. We’re like a band of brothers. We have to have each others’ backs – one mistake and you can lose somebody forever.”

How many of us can say that we feel this way about our own colleagues at work? Do you have a band of brothers and sisters in your organization? And would your job need to be life or death in order to create that kind of bond?

I don’t think it should take a hurricane to build a bond like that. All you need to do is to make the choice to connect with your fellow leaders on a personal level. It’s time to expect more. It’s time to change the quality of our relationships. If you do, you will take the first step towards creating a community of leaders.

Building a Community of Leaders – The Organizational and Personal Commitment

Building a strong community of leaders will be critical to your organization’s success. It can become your ultimate differentiator. So it’s important that you start today.

At an organizational level, you can start by setting the bar high and aspiring for great leadership. What if you committed to having the best leadership in your industry? That would be a game changer.

You can also use the terms and conditions of the leadership contract described above to create one for your own organization. A leadership contract that clearly spells out what you expect from your leaders and what you will not tolerate. And then you must hold your leaders accountable to the terms and conditions of your leadership contract. You also need to find ways to help your leaders build relationships with one another – it's difficult to build a community of leaders among a group of strangers.

How will you know when you have succeeded? You will begin to see a high degree of alignment and engagement among your leaders. They will demonstrate a “one company” mindset, rather than protect turf or be consumed by internal competition. They will break down silos and drive greater innovation, collaboration and performance. Your leadership culture will become self-sustaining and will be your ultimate differentiator.

At a personal level, you must also start to make a difference. Take a moment to think about someone – maybe a person you're leading today, a peer or fellow leader. Now ask yourself, how can I make this person's life better? What could I tell them that would help them take their own leadership to the next level?

I carried Zinta's letter with me for 25 years and it influenced the direction of my career. What could you say that would be that inspiring to someone else? You can decide to have that kind of impact – one that can change the direction of one's leadership career forever. If you do, you will find that your relationships will have a deeper sense of trust and mutual support. A leadership bond will be created. That's when leadership becomes rewarding because there's nothing greater than achieving success with a group of fellow leaders and colleagues that you respect.

If you want to become a true leader, one that will help your organization succeed, you need to understand that leadership is a decision. So make it!

If you do decide to be a leader, then you need to understand that leadership comes with an obligation – to something greater than yourself – the obligation to start building a community of leaders in your organization.

Review the terms and conditions of the leadership contract, then decide to sign up.

Leadership is a decision. *Make it.*

Leadership is an obligation. *Step up.*

Leadership is hard. *Get tough.*

Leadership is a community. *Connect.*

Start today.

Vince Molinaro, Ph.D.

Vince is a Managing Director of the Leadership Practice within Knightsbridge Human Capital Solutions. As a Senior Executive of this award winning company, Vince has helped create one of the leading brands in the Human Capital industry. As a leader, Vince sets the leadership bar high for himself and his team. He doesn't just preach the leadership stuff – he works hard to live it.



Over his career, Vince has worked in several key sectors including energy, pharmaceutical, professional services, technology, financial services, and the public sector.

Vince is regularly called upon by the media for his innovative opinions on the future of leadership. An engaging speaker, he conducts keynote presentations for corporations and conferences. He is the author of two successful books: *Leadership Solutions* (co-authored, Jossey-Bass, 2007) and *The Leadership Gap* (co-authored, Wiley 2005).

Vince received his Doctorate from the University of Toronto and conducted pioneering research in holistic leadership. He also has degrees from Brock University and McMaster University.

To read Vince's blog, arrange for him to speak at your event, or learn about Knightsbridge's leadership effectiveness programs please visit thecommunityofleaders.com.

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