CEO Psychology
Who Rises, Who Falls, and Why

By Kenneth M. Settel, MD
With Joe Cardillo

For my wife, Linda Kline, and my three sons, Daniel, Ethan and William, whose creative entrepreneurship and community engagement has shown me how true leadership develops.

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GLENDOWER
I can call spirits from the vasty deep.

HOTSPUR
Why, so can I, or so can any man;
But will they come when you do call for them?

-William Shakespeare
(Henry IV, part 1, act 3, scene 1)

Introduction
Bill Crawford had an idea. A businessperson with a lot of natural born talent, he wanted to explore the way vision could bend with space and the way people could work in expanses that were beyond their ability to see. Bill had been an intensely curious child and immersed himself in the world of science and ideas. His intensity, intelligence and persistence gave him a capacity to command respect from others and to bring teams together to make products out of ideas. He was an intellectual leader, but could he create companies and make them successful? He was a reluctant leader who really preferred the world of inquiry and the mind.

Johanna Lester, another businessperson, was a brash and energetic character. Her infectious energy drove ideas into forward. She always wanted to create something big, whether it be a new service or a new company. People both responded to her and were often put off by her. Could she create the next technology start-up by sheer energy and pushiness?

Both of these individuals were talented. Bill was gifted with an intelligent creativity and the focal power needed to rally co-workers and move ideas from conception to completion. Johanna was aggressive and influential and motivated to succeed. She was confident. In her mind, all she needed was the right target, and she was surely going to hit it. To onlookers, both of these individuals, though different in type, had “the goods.” But is natural talent enough? For some individuals, the answer may be yes.

For Bill Crawford and Johanna Lester, however, the answer was unfortunately “no.” Both lacked access to several essential managerial skills that would have helped them unlock their raw strengths and reach their full potential in the business world.

Over the past twenty years, I have witnessed many times how the very character traits that can speedily vault an entrepreneur forward can, in the end, also keep them from making it to the finish line. Why is this? And how can you prevent it from happening to you?

CEO Psychology will answer these questions and carve a path on which you can accurately discover your own personal talents (and liabilities) and, just as importantly,
how to use these strengths toward smoother, more successful management, as well as how to fill in with more effective skills where necessary.

**Being a Leader**

Who wants to lead? What does it take? Do you have the drive – the drive to make an organization operate and succeed?

Do you want the responsibility – the responsibility for the people who work for you, for the products, ideas or services you develop and deliver -- the responsibility to shareholders, to the creators of the marketplace?

Do you have the personality – the patience along with the drive, the calm along with the energy, the capacity to regulate tension from the ups and downs as well as the highs and lows along the way?

Do you have the talents – the technical talents, the creative talents, the interpersonal talents, and the psychological awareness?

In this book we will address the talents involved in understanding and knowing people (including yourself), as essential elements in successful operations. We will look at the people who work for you, with you, and equally important, at you, the leader.

In the face of the astounding complexity of people, global markets, technological leaps, information overload—and, trying to appreciate the impact of world financial gyrations – understanding yourself better and understanding the people who work for you will be a key to your success.

In this world of high-speed decision making, leadership is loaded with an abundance of unchallenged, fix-it-all myths that many of us accept carte blanche. And why not? How often have you heard anthems encouraging you to “Be the peacemaker,” or to “Avoid conflict,” or telling you, “It’s really all about personality?” It is true that many of these concepts have guided generations to attempt to rocket down a path of successful leadership, but making them your modus operandi can just as quickly plummet you to failure during moments of crisis. So, seeing the bigger picture, understanding the human element, the world of feelings and motivations will strengthen your ability and help you strategize more effectively.

*CEO Psychology* will explore the importance of the “people side” of management and perhaps dispel various managerial myths that may be currently holding you back. Instead you will explore a wide range of counterintuitive concepts and skills capable of giving you a competitive edge. For example,

Did you know that:

• Conflict in organizations can be positive.
• Rewards and punishment may be less effective in inspiring employees to work harder or better.
• When dealing with stressed out or burned out employees, you shouldn’t give them less work; instead, give them more gratifying work.
• Performance reviews can be destructive unless delivered in a developmental and constructive way.
• Your unconscious mind drives you more powerfully than your conscious one.
• Successful leadership is not about personality. It is about how you apply your personality.

Uniquely positioned as a Harvard psychiatrist who has worked with and studied dozens of business leaders, I have spent my career talking with CEOs – from the psychoanalyst’s couch to the boardroom. I have witnessed and studied behaviors that have led to both success and failure. I have worked with individuals and organizations to improve manager-subordinate relationships, to establish feedback and evaluation processes, leadership development, management coaching, and to create effective partnership teams. Additionally I have worked with many executives, assisting them in managing effectively and in developing their own career.

In CEO Psychology, I have attempted to synthesize the full range of these experiences into clear and effective guideposts that any leader can use to navigate a course to success through today’s sea of uncertainty. Let’s take a closer look.

Successful organizations are healthy organizations, and healthy organizations require a thoughtful, self-aware leader and leadership team. Leaders communicate the vision of the organization, align organizational resources to optimally carry out missions, motivate staff, and get the organization’s message out. A leader coordinates it all toward organizational success.

On the other hand, leaderless or weakly led organizations eventually flounder for lack of clear direction, vision and effective management of people and resources.

While some aspects of leadership may seem intuitive to some, there is much to be gained by reflective understanding of one self and the people one manages. This is a core concept in this book. One must first become aware; aware of what organizations are and aware of how they operate. Then one must become aware of the key elements that comprise organizations – people.

People are not robots. They are driven in many different directions by conflicting forces, the conscious forces that they are aware of and the equally powerful unconscious ones, which are very present though run under most people’s radar. Leaders are also people, and you as a leader are likewise under the power of conflicting forces, many that you are aware of and many that are irrational and unconscious. There are so many elements involved. No one individual can know and execute them all from the start. So again, to begin with knowing yourself and knowing the forces that affect the people who work for you holds the key to being a successful leader.

CEO Psychology will take you on a tour that delves within the conflicting forces that drive us as leaders—as people—and present you with a step-by-step plan to help you identify and generate functional managerial strategies and a healthy organizational environment.

How to Use This Book
Each chapter presents one of eight ways that you can translate your experiences, with guidance and practice, into a variety of psychological strategies capable of creating effective action. You will learn how to:

1. Know yourself (your personal leadership profile)
2. Lead through engagement
3. Work with Change
4. Manage emotional needs in the workplace
5. Channel Aggression constructively
6. Manage conflict in the workplace
7. Hire, promote and fire
8. Envision your career trajectory

*CEO Psychology* will introduce you to a variety of individuals whose ability to resonate with their people has vaulted them into success in leading. Each chapter concludes with exercises intended to help you apply concepts and techniques in a variety of strategic and operational situations.

The process of learning to translate your experiences, self-observation and understanding into a strong and effective model for leadership can be a challenge. The intent of this book is to assist you in becoming more self-aware and observant, to better appreciate the motives that influence you and others. This appreciation can contribute to your growth and development as an effective leader.

**Chapter One**

"You have to be burning with "an idea, or a problem, or a wrong that you want to right. If you're not passionate enough from the start, you'll never stick it out."

- Steve Jobs

**Know yourself: The Big challenge**

So you want to lead? Let’s figure out your “edge.” Let’s look at how you can sharpen it and use it to optimal effectiveness.

Your edge begins with knowing yourself. The most successful leaders know themselves. They know that they can’t be everything to everybody. They understand that they need to satisfy many constituencies; the investors, the management team and the marketplace. They further understand where their advantages lie, and they know where they need to “fill in” for what is missing.

Strength comes from knowing, appreciating and accepting who you are. This allows you to use your available skills to advantage. Additionally having an accurate and comfortable sense of your strengths allows you to turn to others for support and feedback.

The kinds of successful leadership skills that are needed at one time and for a given work group will shift as the company changes and grows. Successful leadership is never static. It needs to be adaptable to the shifts within the organization. As the marketplace changes over time; as the work team expands and as the task shifts or becomes more complex you will need a diverse “toolbox” and a lot of flexibility. You will need to adapt your leadership role across time and through changes in the organization.

As your organization grows and changes, you will be challenged by new pressures, from more directions. Work will expand. It will become even harder for you to find the time and space to step back and analyze your strengths and vulnerabilities.
Success in a growing organization can ramp up your pressures. It can also contribute to feeling isolated. Competing constituents have competing demands. As the leader, you must set priorities, allocate resources, inspire the management team and satisfy investors.

Under this kind of pressure, where does one go to get a good and true picture of who one is and what direction and priorities to set?

**Where Do You Turn?**
A leader needs feedback. This can be especially nettlesome for the entrepreneur in a growing organization. The entrepreneur is often someone who particularly prizes independence and autonomy. He or she may be an individual who has struggled with authority in the past and needs to set out on his or her own path, without feeling restricted by others. Nevertheless, you run significant risks as a leader, of any organization, if you fail to get adequate advice and feedback. Sealed off from outside feedback, you may become blind to your vulnerabilities, idiosyncrasies, performance difficulties, and to your impact on others. This can bring on some serious trouble later on.

**The Consequence of Isolation**

*Imagine the following scenario:*

Having established several companies in his past, one particular CEO of a successful startup came into his new position with a track record of success. The investors in his previous ventures had developed deep trust in his leadership. They based their trust on the successful, financially lucrative buy-outs of his prior ventures.

His early family history of growing up with a highly successful and dictatorial father who humiliated him and put him down, left him strongly driven to be independent and free from the constraints of authority or advice. It also left him hostile to outside suggestions and influence.

When it came time to create a board for his new venture, this entrepreneur selected from those individuals associated with his prior successes. He picked them because he already knew them well and trusted them. Important to his decision was that they already had confidence in him. He knew that their inherent trust and confidence would translate into unusual independence – for him. He banked on their minimal scrutiny of his actions because they so appreciated his past success.

As a characteristic entrepreneur type, he especially craved and valued this independence that his board allowed him. However, he, like many independent entrepreneurs, did not have an adequate way of observing and understanding his own leadership strengths and limitations.

The pressure of new challenges in the growing and consequently more complex business, were deeply troubling. He slowly got in “over his head.” He could not tolerate any limitations. He saw the challenges to his capacities and abilities as a confirmation of his father’s put-downs, and deeply threatening to his self-esteem.

Instead of turning easily to others, he responded to the pressure and subsequent anxiety by working harder, increasing his isolation, and driving the business and the management team more aggressively. Where he might have stepped back and reflected, he, instead, tried to take on more.
In response, he also became increasingly expansive and grandiose in his goals for himself, his employees, and for the company. He pressed the Board on multiple new acquisitions of companies to expand into related business lines and into new markets. The expansive growth, without due-diligence, lead to poor business decisions. When his management team questioned his choices and judgment, he took that as a sign of mistrust and as a challenge to his shaky leadership decisions. He was prone to attacks of openly humiliating his subordinates. He also fired key employees who challenged him. His control of the Board led him to hide information from them and control their access to his team. In response to the ever-increasing pressure and business challenges, he became, like the father who raised him, increasingly controlling and dictatorial in his management style.

As things got worse, the CEO remained impervious to suggestions from his management team and his attorneys. As the company began spinning wildly in its performance, its market share began to decline. Employees hunkered down with a “bunker mentality” or chose to quit. It was only after a “whistle blower” contacted the Board, that people on the Board first began to ask the questions to unmask the leadership crisis.

Immerse Yourself in Feedback
To be most effective as a leader in a creative and growing organization it is most helpful for everyone to be immersed in and receptive to a culture of open and honest feedback. This is a big and important challenge. It is through this feedback that you will know yourself, your organization, and strengthen your ability to make accurate and more effective decisions.

Giving and receiving feedback allows organizations and their leaders to become aware of their strengths and to begin to perceive their blind spots. This allows people to continue to develop themselves to grow creatively as leaders. Feedback to individuals will consequently strengthen the organization and will ultimately even foster more responsiveness to the marketplace. Thus, feedback encourages the development of leadership skills for all people at every level of the organization.

Exercises

Counter the leadership vacuum.

Ask:
- What are the passions that drive me?
- How do I work best?
- How do I react under pressure?
- What are my personality vulnerabilities that might lead me to suspend my rational decision making?

Beware of Isolation and Lack of Feedback.
- Hold open meetings where ideas are freely expressed.
- Seek confidants who will be open and honest with their impressions.
- Beware of “yes men” and sycophantic people who need to please you because they need you for their career advancement.
Chapter Two

When the best leader’s work is done, the people say, "We did it ourselves."

- Lao-Tzu, 604 - 531 B.C.

Tao Te Ching

Lead through Engagement
In the military, the challenge of the traditional general is to command the troops. In today’s companies, as in today’s military, however, organizational complexity has usurped and clouded the old transparent line of command. From the integration of complex technology to the multiplicity of stakeholders, wars are no longer fought primarily on the battlefield, and the commanders can’t just demand action. Likewise, organizations are made up of integrated teams and complex lines of command. A commanding leader alone won’t create effective action.

For today’s leaders, the way to success is leading through engagement. This involves corralling and motivating a team to work together to create the outcome. Leading through engagement is thus ever more about “facilitation;” creating environments where information is shared, where people think and work creatively in an atmosphere of greater openness and transparency.

Businesses now work as “knowledge communities,” where effective action often comes from managing and analyzing complex and growing amounts of information, “Big Data” to come up with creative solutions. The effective leader needs not only to make decisions, but needs to create facilitative environments that nurture creative teams.

Developing a Unique Set of Skills
Discovering how to lead in this new environment of engagement requires a unique set of tools. The following is a list of five essential skills to get you started.

1. Maintain your focus. In the face of all the new complexity of information, technology and teams, you must maintain your own clear focus on your primary goals and ambitions in the organization. Ask yourself: What are my guideposts, my first priorities? Am I sticking to my path or getting distracted by all that is buzzing around me?

2. Maintain your values and integrity. Ask yourself: Am I keeping to my principles and standards amidst the pressures and frustrations. In the face of greed and intense competition, where success is measured often in financial gain, it is easy for people to put honesty and integrity aside. In the end, your staff and clients will judge you by the respect you command. Being true to your values sets you up in a positive way, as you will see when we talk about Sir Winston Churchill, as an identification figure, (a concept we will further explore,) to whom others will look up to as an object of their respect. Ultimately it enhances your own self-respect and your own ultimate satisfaction.

3. Effectively prioritize and allocate resources. Keep your resources aligned with the long term goals and strategies. Competition from strong voices inside and outside an organization can put conflicting demands on a leader. Decisions need to be made with a
clear sense of what is important, not on which demands are the “loudest,” or on which people make the most noise

4. Understand the implied expectations of your subordinates. Subordinates often look to the leader as a parent figure. In psychological terms, this is referred to as the “transference.” People, in many situations, including the workplace, will transfer conscious and unconscious expectations from other important situations in their life.

The parent in a family is expected to be a source of love, support, approval and gratification. Likewise, in an organization, these same expectations that people might have of a parent are introduced and imposed on you, the leader. The goal of the organization is to get the job done. The parental expectations of the subordinates of their leader can both motivate people to work harder for you, or get in the way of their work.

Understanding and appreciating these influences will make you a better leader. You will better appreciate and manage these irrational basic needs, (further elaborated in Chapter 6, subheading: understanding irrational feelings,) rather than try to suppress them.

5. Serve as an identification figure. Understanding the forces of transference, you can serve as an “identification figure” for your subordinates to align them with enthusiasm to the mission of the organization. In communicating your love for your work and appreciation of the team, you will bring excitement to challenges your organization will face. The passion you show can help sustain a balancing presence through the frustrations ahead.

Consider the following scenario:
Jack, a “visionary” CEO, prided himself in tightly controlling all aspects of knowledge and information about his company, including the product and the way it was used. Although brilliant and charismatic, this leader, while inspiring people with his wit and intelligence, tended to dominate with his own clever vision. He isolated people in the organization and kept them working at more narrow tasks. He rarely solicited advice from employees, nor had open strategic meetings where people were invited to contribute their ideas. He viewed the business as his “baby” and trusted no one to oversee it but himself. When things didn’t work out as expected, he had a pattern of berating and criticizing employees. To maintain even tighter control over the operation, he even hired his brother to work in a significant role in the company. Jack also regularly criticized his brother and put him down.

Although exceptionally intelligent, Jack had a deep insecurity about his capacities. This insecurity led to a distrust of not only himself, but even more strongly, to a distrust of others. Although brilliantly creative, Jack’s capacity to accurately perceive and analyze situations and people around him, led to a blind reclusive style, isolating him from his team’s input.

Consequently, Jack couldn’t appreciate how dependent his team had become on his approval and appreciation. This emotional blindness carried over to business blindness. He was unable to see competing forces in the market and was unable to appreciate how his decisions led to a gradual erosion of his successful market position. Feedback from his team was not ever valued or encouraged.

Let’s take a look at a different situation. Another, less visionary leader, Laura, had an amazing capacity to connect with people. Her staff was deeply motivated by her warmth
and concern. People wanted to work for her because they felt she really cared. As the company gradually got off the ground, the staff of this service-business was willing to work for less money than the competitors, and the market for the goods and services of the new company rapidly surpassed the competition because of the team’s quality and attentiveness to clients and their needs. Here, Laura, a sensitive CEO became an identification figure whom employees chose to emulate. This generated a healthy environment and a strongly motivated team who showed clients an impeccable attention to satisfying their needs.

As another example of an engaging leader, consider Winston Churchill. Although quite talented, he was an uninspired student. He grew up with very distant, unemotional, non-supportive parents. He even began with a spotty political and military career and was seen as a failure in his initial endeavors. Nevertheless, he had a brilliant mind, meticulous attention to detail, and a powerful talent with his rhetoric. Perhaps from a relationship with a loving Nanny, he also had a strong empathic capacity. His talents fueled his ability to engage the British people in their darkest hour. His engagement was so inspirational that he could stimulate the courage and fortitude in the population. He enabled them to hold-out alone and boldly in the face of the Nazi attack. The power of his passion, his open-ness, honesty, and moral certitude, along with his inspirational optimism brought peace, solace and power to his people. His was “engagement” at its finest!

Exercises

Ask yourself:

• How am I engaging my staff?
• Do the people who work for me appear happy, or are they complaining all the time?
• Do they always ask for more time, more resources, more money, or are they plunging forward with what is provided?

• Who is generating the new ideas in my company? Do I encourage participation in planning and strategizing?
• Are people able to work and carry on tasks without my direct supervision?

• Do I feel sympathetic and supportive to the needs and concerns of those around me?
• How resilient am I to setbacks and obstacles? Do my people help me see creative solutions?
Chapter Three
"Change is the law of life - and those who look only to the past or present are certain to miss the future"
- John F Kennedy

Work with Change

No one likes change! We are most comfortable in places that are familiar. We like it when we know what is expected of us and can easily meet other people’s anticipations. Familiarity and comfort reduce our anxiety, give us a sense of mastery and enhance our self-esteem. Yet, as we know, the world doesn’t stand still. People depart. New challenges impact the workplace. Circumstances of life shift and force us to face new situations. We need to meet change and adjust - if we are to be able to adapt to the challenges of the future.

Whenever there is a change, in your personal life or at the workplace, it is normal to respond with a sense of loss. You lose the familiarity and comfort of place, people and circumstances. You lose the sense of ease that comes from an environment that you have settled into. You feel like you have lost your bearings. So you search for a new sense of normal and expectable as you feel the pain of the separation from the old familiar.

In this process of change, people feel sad for the loss of the familiar, and then sometimes, they feel angry at and disappointed with the agent(s) of change, the people associated with introducing the shift. This is because people feel less secure with new and different situations and expectations of them. They associate those responsible for introducing the change with creating disruption in their lives. Because of the loss of security, people experience a period of uncertainty, anxiety and subsequently, an increased dependence on you, the leader, or anyone else they rely on.

As a leader, you are especially challenged when changes occur. You are both responding to the changes – e.g. new people and new challenges – and at the same time, you may be the agent introducing change to your organization. In addition, it is your job to help your people successfully negotiate, tolerate and navigate the transitions, while maintaining the productivity of the workplace. That is certainly a lot of responsibility that is focused on you, as you yourself are also personally coping with the impact of change on you personally, while supporting those around you through the process.

Understanding the Feelings of Change
Successfully managing change begins with your understanding of why people feel the way they do about change in their lives. When we begin a new job, for example, a new relationship, or any new situation, we start with a set of expectations. Sometimes the expectations are stated explicitly in a contract. These include the legal terms of the relationship and the written terms of the job.

Besides these explicit terms, there are implied expectations. People, whether in business or elsewhere, always make a lot of assumptions. These assumptions exist in our head and in the heads of those with whom we are negotiating. Unlike the explicit arrangements that are verbalized or stated in writing, these assumptions are never stated directly. They are implied, assumed and taken for granted, without ever being stated.
We assume in the world of work, for instance, that when we are hired for a given task that the task will involve certain responsibilities and completion of certain activities, that we will be supported in our work and that we will be compensated fairly for its successful completion. In the personal world, when people get married, they often assume that their partner will love them forever and always take care of them and support them.

These implied expectations may also include unconditional appreciation, employment for life or for at least the terms of the work contract, constancy or increase in the compensation if the job is well done, and perhaps even promotion and better opportunities as a reward for success.

Many of these assumptions go unquestioned in our thinking.

When someone changes the terms, either the explicit ones or the implied ones, people feel like something is being taken away or changed. If the changes are not renegotiated and mutually agreed upon, people will feel that they are unfair, and will react with hurt, disappointment and anger.

The business guru, Harry Levinson, called these implicit understandings, the “psychological contract.”

The concept of the psychological contract describes the phenomenon where people expect those implicit conditions of their employment to be continued and maintained. People will respond to changes in their work life, even though they were never explicitly promised, as if they have been deceived or cheated. A lot of negative reactions to losses and changes at work can be understood in these terms.

As the boss, you can become aware of what is feeding the hurt and anger and respond to people in a more informed way.

To help people move on after change, people need help to mourn the loss. They need an opportunity to verbalize their disappointment and sadness and to anticipate the new changes by talking through their reactions to the change, planning for a different future, and reorganizing themselves to what lies ahead. Understanding the hurt and anger can be beneficial to you, as you can then better help your personnel to move on.

**Being More Aware of the Impact of Change**

The job of the leader is not to protect people from change. Change is inevitable and is an adaptive response to shifts in demands. You, the leader, need to be aware of the impact of change on subordinates and use your understanding to help them acclimate smoothly.

**Consider the following examples:**

1) A non-profit, religiously affiliated hospital was acquired by a for-profit, private health care corporation, when the old hospital could no longer operate with the enormous deficits that were threatening to shut it down. The doctors and nurses in this hospital system had committed their careers to a practice of serving the poor and indigent populations. They were now informed that they would be serving in a for-profit medical system owned by a private equity company. Of concern was that they would now be held more accountable for costs in their practices. Caring for the underserved, uninsured patients they had grown to care about and care for was no longer to be the primary target of their work.
To compound the painful impact of the changes taking place, their salaries were capped, and they were asked to work longer hours and additional shifts to meet the financial demands of the private equity group that had bought the hospital. They could see that they were now expected to focus on making a profit for the investors.

To further compound the injury, the new management introduced new cost containment measures, relying on new supervisors and administrators, imposing on the health care providers proscribed protocols for addressing medical care.

These changes created enormous demoralization among the medical staff. People who used to love their work now found themselves unhappy and resentful of their employers and unhappy with the day to day medical care they were delivering. They often found themselves more irritable with their patients. They resented going to work. Absentee rates increased, as a remarkable number of nurses and doctors were calling in sick.

2) Another company that delivered health services was acquired by a for-profit driven health service provider in a different city. In this case, both companies shared a mission of compassionate care at affordable costs to a sick population. Before the acquisition, the leaders of both organizations spent several months meeting, talking, comparing operations and organizations. A compatible fit was discovered in the two leadership teams. The combined organization offered cost efficiencies and operational improvements. Because they operated in different marketplaces neither group felt threatened by the other. The combination would involve a change in leadership. When the merger was announced, the new leadership team came and met with employees. They encouraged employees to talk about their work, their relationship to the company, their employers and about their mission to care for the people they served.

Over a series of meetings, the changes were gradually introduced. People were organized into teams to become part of the planning efforts for the merger. Anxieties about job loss, change in delivery of care, and the impact of reporting to new bosses were addressed directly. The former management team that was leaving the organization after the change returned to say goodbye and to reminisce with the employees. The change was mediated by a helpful process, and the new organization was stronger and more adaptable to the changing marketplace. People in the newly reorganized team were able to work together more successfully.

Since all change represents loss, as first described by Harry Levinson, adaptation to change involves a process of mourning the loss. People need the opportunity to prepare and to then grieve. Grieving involves "working through." In the previous example of the successful organizational transition, it allowed people to review their relationship to the old expectations, to the old people, to the old way of operating and doing business. "Working through" facilitated a greater willingness to accept the change and move on.

An enlightened leader addresses these issues openly and directly. He is aware that the people he works with are the necessary elements of the success of the organization. Treating them well means treating them with respect. Respect entails recognizing, acknowledging, and accepting the impact of change on people. Respect means openness, honesty and fairness in dealing with people. It means being there for them to help them grieve the change and respecting the need to mourn the loss.
Stress in the Face of change
Besides loss, people also find that frequent, rapid, or insufficiently supported change can cause stress. Stress is a consequence of the presence of continuing, unremitting tension. While optimal degrees of tension can be motivating, even contributing and enhancing the drive to accomplish and succeed, too much tension can lead people to experience stress and at the extreme, burn-out. When people feel burned out, they can no longer experience a sense of joy or pleasure associated with their work, nor perform at an optimal level. Burned out workers experience poorer performance, higher incidents of mistakes, demoralization, somatic and psychological symptoms, and even depression and misery.

In the face of change, it is important for leaders to recognize the higher level of stress that people are experiencing, to acknowledge this, support them more and help them to adapt. Leaders need to create opportunities for renewal and rejuvenation through assistance in relieving some pressure, offering breaks or time away, and allowing opportunities to blow off steam and play, sometimes even away from the workplace.

All work can be stressful. People are better able to adapt to the stress and tolerate it when they feel satisfied with the work they are doing and gratified and appreciated by those who they work for and work with. To a great degree, it is not so much the quantity of work that people have, but their sense of satisfaction and control of the work that helps them tolerate or even feel invigorated by the challenges.

If people are feeling overstressed at work, ask yourself:
• Am I challenging my staff in ways that they feel fulfilled?
• Are they getting the satisfaction from the work by knowing that the work is appreciated?
• Are they being adequately supported in the work? Are there sufficient resources for them to be able to do what needs to be done? To adapt to changes they must manage.
• Do they get to appreciate a completed outcome to their labors?

Exercises
• Recognize people’s need for support in any new situation and in any change.
• Accept that all change, including positive change, is still seen as a loss.
• Help people acknowledge the loss and how it affects them.
• Be open and honest in dealing with change, including considering the impact on you.
• Use your own emotional responses to change as a measure of how others might feel.
• Support self-esteem of people in any situation of change.

Chapter Four
Logic will never change emotion or perception.
Edward de Bono
Nothing is softer or more flexible than water, yet nothing can resist it.
Lao Tzu

Manage Emotional Needs in the Workplace
When people come to work, you want them to get the job done. You may think, "Why can't my people put aside their feelings and just do the work?" Emotions are such a fundamental part of who we are and how we operate in everyday life that we can't just ignore them. Someone says something to us, and we feel injured. A manager is bypassed for a promotion, and her feelings are hurt. Someone is frustrated by the lack of appreciation for the overtime he has put in, and then he no longer feels as committed to the project.

We want to be liked, appreciated, rewarded and respected. We want to have an outlet for our warmth, for our desire for closeness and affection and for the safe expression of our aggression. These normal human needs can't be ignored or suppressed. They are a part of all our interactions, so they come along with us and along with the people who work with us, to the workplace. They need to be appreciated, understood, and harnessed for the work to get done.

Being Prepared
There are many kinds of emotional needs which you as a leader will face at the workplace and for which you should be prepared. These desires are fundamental to our sense of well being, and they need to be appreciated and worked with. Let's take a closer look.

Attachment and Connection
First is the need for attachment. Our attachment and affiliative needs lead us, at times, to either seek out others for closeness or to distance ourselves for isolation. Our needs for social connection vary in degree and intensity along a continuum. Most people's social needs may fall somewhere in the middle and consist of both needs to connect at times, and to be alone at others.

At one extreme end of the scale are those individuals who prefer to work alone and in isolation. Social interaction may seem to create an obstacle to their productivity. Those who are like this do best in kinds of work that involve intense individual immersion in data gathering, problem solving or information integration.

Others individuals want to stay connected as they work. They find that human interaction is fundamental to their sense of wellbeing. At the other extreme are people who may never want to be alone. Always seeking engagement with others, people at this end of the scale are continually talking, listening or interacting with others, sometimes even disrupting the work environment with their constant need to connect. Their behavior often leads to interruptions and disruptions of other's work. Sometimes these coworkers can be downright annoying!

For these people who are compelled to interact, human connection is essential for managing a sense of comfort, safety and happiness. Such individuals work best at tasks involving social interaction and management of interpersonal engagements of others. This might include, for example, sales, marketing, or human relations work.
Since many of us fall somewhere in between, we function at our best in an environment of independence, at times, and interdependence at other times. We can find fulfillment in tasks involving solitary thinking and working, on one hand, but then, on the other hand, benefit from the interactions between people that give everyone a sense of satisfaction and validation through group functioning.

**Independence, Interdependence and Dependency**

The next type of emotion need we face at work is the need for dependency. No man is an island, it is said, and we need others to satisfy certain needs. People depend on others for approval, validation and love. Even if these needs are satisfied outside of work, individuals still search for satisfaction of these needs, from the people and tasks they experience at work. No, the workplace is not an emotional “love in.” And yes, the work needs to get done, but people do a better job getting it done if they feel cared for, appreciated and respected.

Dependency needs are greater in the workplace when the employee is new, or the task is changed. The uncertainty of what to expect increases people’s anxiety, and it is legitimate to expect people to be needier under these circumstances. A good leader recognizes these needs. He offers more support to new employees, to people who are changing jobs, and at times of increased work change and pressure.

Since the work place is usually not viewed by most as the most acceptable place to meet dependency needs, people at work express their dependency needs in different ways. People might find themselves asking more questions of their boss, or requesting more assistance with a problem. These are legitimate ways of asking or engaging the leader to “take care of them.”

Consider the following situation in which a particular leader, Melissa found herself continually answering emails and phone calls from an otherwise very competent manager. The subordinate was increasingly asking for validation over marketing strategies for a new technical product. Melissa was being cc’d on every client interaction and was responding to phone calls from this subordinate/manager – at night and on weekends, over matters that were clearly being handled quite adequately by the manager. Outside of work, the manager was frightened by a medical illness that had affected his wife. The pressures at home had left him increasingly anxious and doubting of his own judgment and decisions. Once Melissa understood the pressure her manager was struggling with, she could more easily accept the temporary increased dependency needs, manifested as an increased need for validation and connection.

Some individuals feel very uncomfortable needing anyone. Advice and suggestions from the boss or a coworker can seem to them as if that coworker or boss lacks confidence in their ability to figure things out on their own. Because their uncertainty is so unacceptable to them, they compensate by trying to prove that they can always do it best on their own. They have such sensitivity to outside input that it may even compromise their ability to work effectively on a team.
One must be sensitive in managing such a person. They need to be permitted to have autonomy in the projects they take on. Their opinions and accomplishments need to be valued as independent, self-realized successes.

Ideally, people function interdependently. We value each other’s contributions. We are part of a team that works together. The leader puts aside his “ego” to appreciate and engage the contributions of others and the effective function of everyone together. We need others to enhance our work, and they also rely on us.

**Assuming a New Leadership Role**
In assuming a new leadership role, you will be faced with some interesting challenges. Everyone is both enthused and worried as someone new moves into a leadership role – from subordinates, to the boss or Board who chose you, to the existing clients who are dependent on the products and services of your organization. All are concerned and worried about the impact of the disruption. How will things change in the organization? Will they continue to work out, might they improve, or might they fall apart with a new person in charge?

Faced with your own challenge of a new set of responsibilities and the anxieties inherent to this, the new leader is faced with helping the staff and clients adjust as well. He will need to regulate his own concerns, as he ministers to those around. He will need to stop and listen to people, allowing all to get to know him, to establish a sense of comfort and calm. He will recognize that people’s dependency needs are greater at times of anxiety and change and will accept the need to address this at the time of transition.

It is also important for the leader to accept that he, too, has dependency needs. To effectively listen to and care for others, one needs to find one’s own inner calm. This can be a challenge for a leader of whom much is expected. Many leaders have a tough time accepting the legitimacy of their own dependency needs, even as they recognize those of others who work for them. If you are supposed to be able to be responsible and care for others, is it acceptable to also need to be cared for?

The leader has a particular dilemma. Because of her unique position in her organization or team, she is viewed as caretaker and role model. She can’t appropriately turn to subordinates to meet these needs. These needs are just as legitimate as those of the staff. Who can take care of the leader? Often it needs to be a spouse, a partner or a very close friend, or even, perhaps, an outside coach or therapist.

Disruptions to these personal relationships can be understandably troubling and detrimental to the effective function of a leader. CEO’s and other leaders need to recognize and accept their own need for support, often a challenge, especially for those at the very top.

We will address the challenges of managing the other very important emotional need: aggression, in the next chapter.

**Exercises**
- Identify tasks that are appealing to individuals whose needs identify them as more independent workers, those whose needs drive them to more dependency, as well as for those who are somewhere in between, that is more interdependent.
• Match individuals with tasks that are consistent with their needs.
• Be available to offer more support to people who are less self-assured, gradually pulling back as they gain more confidence.
• Identify individuals who show a sudden need for greater dependency on you. Engage them in conversation. Gently pose some questions to help illuminate (for you) what might be creating their current anxiety, particularly within recent work-related activity. Identifying the cause for their increased dependency will help you better understand the nature of their discomfort and help you offer the kind of support and understanding they may need to function more independently and successfully.
• Identify and utilize your own support systems. Ask: Where do I find my sense of support and calm?

Chapter 5
“Being responsible sometimes means pissing people off.”
- Colin Powell, On Leadership

Channel Your Aggression Constructively
One of the most critical issues in leadership success involves working with and managing all aspects of aggression. When it is productively harnessed and engaged, aggression becomes the “workhorse” and power behind effective action. When it is sublimated, that is channeled into creative productive activities; aggression drives the company competitively and successfully.

When we think of aggression, however, we also associate it with the “negative” feelings and behaviors like anger, disruption and destruction. When we think of these forces, we imagine the opposite of successful competition. We imagine people fighting and derailing work efforts.

Aggression is certainly not all bad. It is a normal and healthy component of emotional life. Everyone, in fact, is personally driven and charged with his or her own aggressive drives and feelings. Yet, because aggression can sometimes be destructive, we have an ambivalent relationship to anger and aggression. We often feel embarrassed or uncomfortable with anger—particularly our own. Used constructively, however, this strong emotion can be channeled into forces of good; creation, drive, and success. Still at other times, it can lead to destruction, hurt and evil. It is this destructive power that frightens us. The challenge for all of us is to use our aggression for creative, helpful purposes, without inflicting pain or harm on ourselves and on others.

The world of sports is loaded with examples of how aggression can be channeled into successful victory. Have you ever watched an Olympic skier making razor-sharp adjustments as she rockets downhill? Or a tennis pro, running around the court making what look like superhuman shots? As spectators we watch these athletes with great excitement. We admire their competitive edge.

On the other hand, we have all witnessed the other side of aggression as well—its caustic side. The now infamous American football players involved in the New Orleans Saint’s Bountygate Scandal provide a good example of when this kind of aggression runs
amok. Among other things, Bountygate involved pay-offs to Saints players, for intentionally debilitating their opponents and causing them to be taken out of play. These actions, which were deemed in violation of NFL rules, resulted in the suspension of four current and former Saints. Rather than witnessing admirable and successful sport, we as spectators watched as players attempted to aggressively disable and destroy each other, and later, witnessed as the NFL dished out some of the most dramatic sanctions in the sport’s history.

Similarly, in the 2006 World Cup soccer event, we witnessed the intensity of the competitive aggression between two players run away, when the French team’s player, Zidane, was “red carded” out of his career, after head-butting the Italian team player Materazzi in the chest in response to his insulting provocation.

Likewise the business world is not immune to unbridled aggression in the name of competition. When Barclay’s Bank willfully manipulated the value of the Libor, the key index determining lending around the world, they aggressively and unethically turned the power of their data to an unfair and unethical advantage. To get this advantage by masking their financial problems, they were using aggression in the service of deceitful competition in the financial markets.

In business, as in sports, there are rules that are established to limit disruptive competition and aggression. Aggression can still be used in competitive practice, but in ways that are “honest” and not unfairly destructive.

We admire our business leaders and sports heroes who succeed on a level, fair, playing field. Good leaders are expected to generate and cultivate this competitive energy. Here aggression is channelled constructively and humanely and functions as a tool for effective management.

Jack Welch, the well-respected CEO who took GE, an already great company, and built it into a greater powerhouse, accruing greater value for investors and securing enormous growth for his company, was known for his extreme competitiveness inside and outside of work. Called “neutron Jack” for his capacity to fire employees, he established a system of eliminating the bottom 10% of performers and highly rewarding the top 20%. He was ruthless in cutting inefficiencies. Through his aggressive drive, he increased operating revenue during his tenure 500%. He has been regarded by many as one of the greatest CEO’s of his time. He channelled his aggression into his leadership style. While this style appeared brutal to some, for many others it was effective.

But let’s look at what happens when aggression goes awry. Basketball coach, Bobby Knight, successfully led his Indiana Hoosiers to incredible victory. He was, at times however, operating under the detrimental influence of his own runaway aggression. There certainly are plenty of “stories” in which Knight infamously threw chairs, berated his players and even physically attacked some of them to get them to do what he expected. He was capable of losing control to the point of literally attacking opposition coaches and journalists if he didn’t like how they treated him or his team. Ultimately, in spite of his success on the court, his behavior was considered intolerable. His anger like a runaway train had taken control of him and his judgment. It all climaxed when The Indiana University president, Myles Brand, asked Knight to resign. In his characteristic style, Knight refused, and was ultimately forcefully relieved of his responsibilities as coach.

By contrast, the successful sublimation of aggression in Phil Jackson, the amazingly successful head coach of the Chicago Bulls. He brought his team through six titles, using a
different style of aggression; active encouragement. Jackson was known as the “Zen Master.” The reference characterized his successful use of patience and calm to reduce conflict in and among his players and to inspire their success.

Reorganizing Anger
While anger is a natural emotion, it is helpful to keep it in check. The challenge for leaders is not to deny your anger, but rather to recognize it, regulate it, and funnel it into constructive directions.

If you are feeling angry, don’t suppress your awareness of it. Suppressing anger won’t drive its destructive aggression away. Rather, you may end up re-channeling it in negative ways that will stream under your radar and out of your control. Suppressing you anger can also result in a long list of problems, including a wide range of medical conditions associated with emotional tension such as: physical illness, headaches, tension, to sleeplessness and irritability. Be aware. Each of these physical symptoms can be a sign of suppressed anger. Managing anger in constructive ways is the challenge.

Exercises

Pay attention to your anger

- Ask: Am I angry? What exactly is stirring me up?
- Action: Stop and step back from a situation if you feel your emotions reaching the boiling point. Take a time out. Think and reflect.

- Ask: Is what I am feeling appropriate to the situation at hand?
- Ask: What is expected of me in this situation? What is my goal? What do I want from this situation? What do others want?
- Ask: Might I be responding from a sensitivity from some old hurt from the past? What happened last time? Do I want to change anything about my last response?
- Action: Take charge. Decide what behaviors you now want to activate and pursue and which you want to hold back and inhibit.
- Action: In certain situations when you have the luxury of time and don't have to make a split-second decision, talking to a trusted colleague or confidant can be helpful. Ask: Does your response seem to them, commensurate to the situation?

Note: As with any training, going through the above regiment may feel slow to you at first but, with a little practice, it will become more automatic, and you will find yourself thinking this way faster, more strategically, and more “on beat.”

Try using humor
In work situations, people often use humor to moderate and to deflect anger. Humor and joking can be an outlet for many intense emotions, relieving the pressure and turning what
is hurtful or frightening into something light-hearted. Holiday parties and office skits are often a good outlet for friendly kidding. Annoying routines and difficult personalities are gently referred to in an exaggerated way, allowing outlets to blow off the steam of the tension generated by these occurrences.

Note: Humor, too, can go too far, especially when people feel mocked or bullied. There are bosses who are known to be bullies, creating their own brand of turmoil in organizations. People who are bullied feel shamed and humiliated and unsupported. In one company, I was asked to come in to address a morale issue, where staff was irritable, unproductive and unwilling to effectively meet the challenges of delivering top service in a helpful way. It turned out that the boss thought that he could motivate people by teasing them. He continually made fun of people when they underperformed. He was not conscious of how his own aggression and frustration was being channeled into demoralizing his staff. The staff, in turn, acted irritably and impatiently with their clients and customers. As more senior people in the organization could begin to appreciate what was going on, they could see how intense pressure from the CEO was creating disruption in the organization. The disruption from the aggressive competitiveness was getting transmitted down throughout the organization. They could then acknowledge how this kind of behavior was destructive. Once the CEO could recognize the outcome of his own contribution, he could then remedy his approach. In apologizing, he also made a public commitment to zero tolerance of mockery and put-downs. At that point, people began to feel supported enough to change the existing patterns, and get down working peacefully and effectively.

**Use your organization’s culture and rituals**
Organizational culture is the familiar and characteristic ways of interaction and “carrying on business” in the office. These office “rituals,” activities and events serve as an outlet for managing all kinds of difficult emotions from anger to anxiety. “Rituals” or activities such as after work parties, retreats, sporting events, and office betting pools can effectively offer a safety valve to blow off steam. They offer opportunities to calm people, relieve tension and help redirect people to the work task at hand. In the best scenario they also increase people’s opportunities for affiliation, support, and understanding. In diffusing tension, deflecting anger and anxiety away from the work place, they help create a culture of effectiveness, accomplishment and creativity and renew energy for work.

**Chapter 6: Manage Conflict in the Workplace**
Perhaps one of the greatest challenges a leader faces is managing and resolving conflict. As in all of life, the workplace is rife with conflict. Any place where a variety of people with different personalities, skill sets, and ambitions gather there is bound to be some tension. At best, the tension is channeled into effective work. At worst, it can lead to extreme dysfunction, organizational paralysis or at worst, total collapse of the organization.

Leaders need to manage and regulate conflict so that the work tasks and the goals of the organization are met. While we have just seen how important regulated and sublimated aggression is to successful work, when conflict is unregulated, the energy of the manifest aggression can create rivalry, distract from the work, and be destructive to the success of the organization.
To manage conflict successfully, it is first essential to understand what is really going on. Too many mechanistic approaches to resolution rely on formulaic ways of dealing with these problems. You cannot make something better with a standard solution. Each conflict has its own contributing factors, and a leader must first try to appreciate what is truly fueling the fires.

Understanding Irrational Feelings
People are driven not only by reason, but by feelings that are irrational and thus not ruled by reason. The manager who structures all work flow through him, working as if no one can do things as thoroughly as him, may be struggling with his own irrational, unrecognized insecurity about being overlooked and unappreciated. This may be unconsiously motivating him to not allow his team to function with more autonomy. Irrational, unrecognized, unconscious forces may drive a subordinate to dominate meetings because of a strong enduring sense of rivalry that now gets transferred to the work place.

Successful conflict resolution starts with the rational data, but gives respect to the power of the illogical world of feelings and emotions. Feelings, which are generated out of compelling, sometimes unconscious sources from the past, have a deeply powerful influence and are not always effectively managed even in an environment of logic and rationality.

With some assistance and with a developing self-awareness, we may eventually be able to realize and understand how these unconscious emotional forces affect us and others at work. Through this emerging awareness, we can gain a greater ability to influence and regulate our own responses and to manage our reactions to others. This will profoundly improve our effectiveness as a leader.

When Businesspeople Are Fighting
Regardless of the source of the conflict, when two coworkers are fighting with each other, they divert energy from the work at hand to the destructive aims of the battle. One person may be trying to better the other, sometimes by interfering with their success. Information may be withheld. Valuable resources may be squandered or diverted. People may be obstructed from doing their job effectively. When people fight, leaders find themselves diverted from their goals because the conflicts are taking up their time, using valuable resources and interfering with success. Sometimes leaders themselves are so conflict averse, that they avoid plunging in to end things and rather let the tension fester. Some leaders so need to be appreciated or loved that they won't be firm or confrontational, lest someone be upset with them. Other leaders think that solving conflicts should not be their job. They will then try to push the process of resolution down in the organization. Some will delegate the issues to Human Resources. Human Resources, alone, without the authority and experience of a senior leader, may try to get everyone to sit down together to resolve their differences by talking it out. Instead of reducing conflict, this can lead to another frustrating “airing” of the grievances, thus getting people even more worked up, and even further exacerbating the tensions.
**Stepping Back and Analyzing the Conflict**

The leader needs to step back, effectively analyze conflict and take stock before an effective strategy can be derived. She should ask:

What is actually going on here? Who is involved? Exactly which people have a stake in the conflict and in the outcome? When did it start? What changes occurred that created the conflict and which may have set it off?

What are people's assumptions about what is going on?

How do those people involved feel about the conflict and about each other? How have they tried to deal with it?

After an effective “diagnostic” exploration, you will begin to discover and then appreciate a more in-depth understanding of what is going on. You will begin to understand the irrational, emotional forces that are contributing to the tension along with the apparent contributions. Only after gaining this deeper perspective, can you begin to formulate an effective response.

**Avoiding Ambiguity**

Competition is inherent in environments where drive is high and much is expected. As such, managers can directly or inadvertently contribute to destructive competitiveness. Sometimes they may even think it is good to set people off against each other and have them compete by trying to outdo one another, much as Jack Welch did at GE. Some of these managers may take a “hands off” approach to managing conflict, thinking that it is best to let people “duke it out.” Their passivity may be their chosen “managerial style” for dealing with conflict. This approach may cover up an intentional personal preference for overt aggression and for allowing people to fight. Or, it may indicate a neglectful passivity originating from their bewilderment and their inability to know how to effectively manage. Either way, passive avoidance of resolution of conflicts can lead to larger problems in the organization down the line, as people get increasingly frustrated and demoralized.

In some circumstances, such uncertainty about work responsibilities or organizational goals will lead to more ambiguity in the work place and subsequently more anxiety. Ambiguity and anxiety, in turn, can give way to more internal rivalry and generate even more conflict.

Another way leaders sometimes avoid dealing with conflict is by establishing an ad hoc team to manage the situation. This may occur because the leader feels overwhelmed with the conflict, and chooses to off-load it to others rather than try to deal with it himself. These less supervised groups have the potential for creating more discord. Political offices and political campaigns are often like this. The leader, President, or candidate is busy with a variety of pressing matters; leaving the structure and authority of the campaign or organization essentially unregulated and un-lead, expecting others will manage without a leader. Things may move along well for a while, but fall apart when the external pressures get high and internal rivalry develops.

Among George Bush's cabinet and staff, there was a striking rivalry and conflict between Dick Cheney and Condoleezza Rice that influenced and threatened effective foreign policy. While Rice was the strongest advisor and confident to the President, Cheney was a strong father figure with an agenda of his own. The President’s more passive approach to managing his staff left a breach in the concordance of his advisory staff. This
allowed the intense underlying rivalry to flare up with subsequent conflict, and leadership impasses. Such gaps in leadership can lead to greater ambiguity and to anxiety, especially when organizational goals are not clear or / and the staff is not strongly managed.

The lack of clarity of roles, job description, or organizational structure fuels conflict. People at loose ends are uncertain. Because of their anxiety they will misdirect their energy to rivalry and fighting. People jockey for position, for power and become more invested in winning a struggle, than in advancing an agenda.

**Exercises**

*Create solutions*

Leadership in the face of conflict starts with first diagnosing the problem as outlined in this chapter and then directly confronting and dealing with it. Solutions evolve through using understanding to address the causes.

A successful result comes from:

- Listening and discovering. Don’t oversimplify, don’t assume, don’t try to resolve until you understand all the elements.

- Delineating the source of the conflict. How much of the scope of the conflict is related to the challenge of the work? How much does the conflict arise from personality issues? What part of the conflict is set off because of ineffective leadership of the team? Might there be increased anxiety, uncertainty and ambiguity that have left people more uncomfortable, setting off more tension?

- Creating limits and setting boundaries. Conflicts need leadership to resolve them. Set a limit to what is germane to work life and keep people focused on the issues related to the task at hand. Other issues not related to the work task need to be kept at home and away. The leader needs to be clear and direct about this.

- Leading through personal involvement. Too much in recent business trends may move the challenges, problems, and decisions at work down the chain of command. Matrixed organizations with diffuse lines of command feed the ambiguity. Internal conflicts and rivalries blossom. While we welcome more initiative at all organizational levels, someone needs to still be in charge and someone needs to set the goals and organize the limited resources of the organization.

- Resolving conflict through direction and confrontation. A firm stand is important. The leader needs to be patient and compassionate. However, without a firm and, if necessary, confrontational approach, no one knows where the leader stands and what the limits of their behavior and rivalry can be. Firmness, directness and confrontation can be enormously comforting, settling, and helpful in reducing conflict. The leader who may try to be unduly compassionate and understanding can generate further problems by not confronting and limiting the conflicts. These leaders are often afraid of aggression and try to deal with people by avoiding and deflecting everyone’s aggression, including their own.

- NOT bringing conflicting parties together to resolve their differences. When there are serious organizational conflicts, emotions often run high. People continue to air
their disagreement and the battles and arguments go around in circles with no resolution.

Note: As mentioned earlier, creating environments for people to air their differences with each other may create more tension and anxiety and can result in further regression and anger. The leader needs to reduce anxiety and tension, by taking charge and setting limits.

Under certain circumstances, bringing the parties together may be helpful. When someone talented and experienced at conflict resolution can mediate a work group, the focus can be limited, the aggression can be managed and the process can be effectively solution driven.

**Build An Effective Work Alliance**

This will require:

- Mutual respect and appreciation of the strengths of the members
- Clear directives and delineated responsibilities
- Boundaries on permissible behavior, limiting destructive aggression in conversation and action. Establishing what behavior will and won’t be tolerated, and the consequences of bad behavior.
- If all else fails, people in chronic destructive conflict need to be separated or removed.

**When Conflicts Can’t Be Resolved**

Some people can be very destructive and intensely committed to maintaining conflict. It is useful to recognize when this is the case and not invest in further solutions.

However, it is often the case with unresolved conflict that the sources and potential for resolution have not been fully appreciated and explored, and consequently thoughtful approaches have not been adequately tried. Most situations can ultimately be resolved with a new approach generated from a fresh understanding of the roles and feelings involved. People often need experienced and informed assistance, to have a fair chance to work things out.

When all else fails at resolving organizational conflict, the observations of an outside consultant can lead to clearer understanding and resolution. The outside consultant, with some distance, may see the bigger picture and have a clearer vision of the organization and of what underappreciated issues may be contributing to the conflict. Inadequate structure, poor role definition, leadership vacuums and ineptitude can impinge on the good work of an organization, and contribute to serious conflict and dysfunction. A skilled, experienced outsider may have the ability to see the conflict with a clearer perspective and appreciate what forces may be contributing to the persistence of the problem.
Chapter 7: Hiring, Promoting, and Firing: in Networked Systems

Although we are individuals, we are also networked within our many different affiliative communities. We are part of one or more communities at work, just as we are in communities with our family, and with our social, religious and academic lives. Today’s businesses are buzzing social matrices. They function effectively as networks of people managing the vast flow of information, decisions and actions that support the organization, and that facilitate its successful operation. Communities of individuals are more effective and powerful when joined together than they are as the sum of the individual members. The successful leader understands the importance of the communities and networks at work and uses them to effectively activate her organization.

In the business and social world, networks are established both formally and informally. At the workplace, for example, the boss may be the one officially in charge of her division, but ideally there can be many “thought” or “action” leaders in different positions in the group or in the organization. This plurality of leadership allows access to a wider range of information, creative thinking, decision making, and leads to more diverse possibilities for action and problem solving.

Let’s take a closer look at how you can choose members of your networked team that will contribute best to the work effort. Effective hiring, promoting and firing are important to every leader.

Looking for the Ideal Hire

As the leader builds his staff, he needs to be aware of each individual’s impact on the group’s social/work network. The ideal hire, should be a good fit for the job in terms of her capabilities and experience, and she should also be a good fit in the culture so as to fit in the network, enhancing the function of the group.

Both job skills and social networking roles are essential to top performing teams. Hiring begins with a clear understanding of what the job is and what is required to fill that role. This starts with a clear and explicit job description. Before hiring, one must ask the basic questions and spell out the particulars:

- Precisely what tasks are expected of the individual who is to fill the role?
- What behaviors are necessary to complete those tasks?
- Precisely what skill sets would enhance the performance of those tasks?
- What are the personality characteristics that are associated with the ideal fulfillment of those tasks? This might include such traits as the capacity to work independently or alone, as well as how the individual works in a group.

It is also important to assess whether the individual will fit into the culture of the organization. Organizational culture includes the climate, attitude and work mode of the individuals, networked together and engaged in the work. No organization, however, should expect all of its people to be alike. Different work tasks often need to attract different types of personalities. Yet there should be some cultural consistency so as to fit in with the rest of the people in the team.

Interviewing

How an individual will fit into an organization’s culture is assessed at the initial job interview. It is reevaluated when someone is considered for promotion to a new role with a
different team. To assess the candidate’s ability to assimilate into the social network and culture of the organization, you should consider not just the answer to the interview questions, but the process of the interaction you observe as the prospect considers the questions; the way the interviewee responds, their level of enthusiasm, attentiveness, curiosity and energy. Considerations may then turn to the way she thinks, reflects and understands herself, especially in the context of the social interaction with you. You become a sounding board to observe how the candidate reflects and considers. Then you can assess your own reaction to the candidate. Ask yourself: How do I feel sitting and interacting with this individual?

It is often useful to have more than one person interview a candidate, as each interviewer brings a unique and different personality style for the candidate to respond to. This is a complex process that is hard to distill at one sitting. Candidates may display different levels of comfort with one kind of interviewer than another.

Promoting
Although promotion opportunities are not intrinsic to all work experiences, they can be an important incentive, along with money, in rewarding and motivating valued people who you want to retain. They encourage them to continue to learn, to expand their experiences, and to enhance their skills. Promotion thus fosters not only more skilled management teams, but also fosters retention of top performing employees.

It is helpful to appreciate areas where employees can take on more challenges and to generate opportunities for them in this regard. When first challenged with new tasks, however, they will need additional support. On the other hand, as they master these new challenges, they will be intrinsically rewarded and grow through mastery and enhancement of their capabilities.

Senior managers and leaders have the opportunity to take talented people under their wings and foster their career development. This mentoring process can be satisfying to both the subordinate and to the mentor. For the mentor, it can be a personal developmental gain. As he teaches, the mentor must reflect upon and communicate his knowledge and experience thus consolidating his wisdom in a way that can be passed on to the next generation in a generative growth process.

Performance Reviews
Performance appraisals are an important part of personal and organizational development and success. Leaders sometimes regard them as a burden, and the process can take on a perfunctory quality if not taken seriously. At its best, it offers you, the leader an opportunity to effectively develop and mentor your subordinates, as well as a process to identify people for future success and promotion.

The effective performance review starts with an understanding of the job role and expectations.

Ask yourself: What performance are we actually reviewing? According to which expectations, explicit or implied?

In preparing for the review, it is useful to solicit points of view of people from all levels who interact with the employee; from supervisors, coworkers and subordinates.
Individuals relate and perform in different ways with people at different positions relative to theirs in the work network. The total review encompasses all these perspectives.

Reviews should be done with regularity, delivered with clarity and consistency. They should be designed to assist in the process of personal career growth and development, not just to criticize and to approve.

A personal development plan, emerging from the evaluation is a sincere attempt to lay out a program to enhance skills and to improve areas of underperformance. When there are serious problems with an employee’s skills, abilities, and potential for growth, the leader needs to be helpful in guiding the employee to reconsider their current position. It is crucial to assist employees to find a work situation that meets their skills, personality style and capabilities so that they can feel fulfilled through a sense of success at work. It is demoralizing to allow or encourage someone to remain in a job or role where they can never be effective.

Honest and clear performance evaluations are often a challenge. They require time, thought and truthfulness. They are crucial not just for the personal development of the employee, but for the success of the organization.

Two cautionary notes:

1. Sometimes managers may want to protect people from feeling criticized or may want to shield themselves from angry reactions to critical reviews and therefore are reluctant to speak explicitly about problems in performance. Other managers may be awkward and uncomfortable praising people. They may struggle with unconscious envy or jealousy of other’s success or they may feel uncomfortable offering too much support. Neither of these scenarios is beneficial for anyone concerned.

2. Performance reviews need to extend to everyone, at every level in the organization. The leader, in particular, shouldn’t be overlooked and kept in the dark about her own performance. Staff is often reluctant to directly and explicitly criticize the leader on whom they depend for their job. Some sycophantic people try to stay in the favor of their boss by playing up to them and never criticizing them. This is never helpful to the leader or to the organization. In this situation, the assured anonymity of feedback may be crucial to guaranteeing accuracy and honesty.

In preparing for performance appraisals, the appraising team has the opportunity to consider the function of not just the individual, but of the team and or the organization as well. Considering the performance of the team as a whole as well as the success of each individual as a contributor to the team effort is useful. The performance review of the team should grow out of an understanding of mission, vision and desired outcomes for the business or organization.

Firing
Although it is important to understand the hiring and promotion process, it is also important to know how and to be able to let someone go when they don’t work out in the organization. If an employee has been given adequate feedback and given the support and tools necessary to succeed and still hasn’t, it is neither helpful nor supportive to continue them in their current role.
This is, by far, one of the hardest and most painful jobs for any leader. For some, it may be so difficult that they are reluctant to assume a leadership position because they find this process of firing people so painful and upsetting. This is especially difficult when you are personally committed and involved with your staff and when you are letting them go for financial reasons or for reorganizations, thus for no fault of theirs.

In firing people because they are ineffective, managers may be hesitant to “hurt” someone by letting them go or even reassigning them. But allowing people to stay in roles where they cannot succeed actually hurts them more. What can be more stifling to someone’s self-esteem and demoralizing than to keep them in a position where they can’t succeed and grow?

Recognizing that someone is not working out can be a very painful process for a leader. For one, it is also an acknowledgement of the leader’s failure in choosing the wrong person. As the boss, you may also feel inadequate in failing to assist the employee to succeed.

It can be additionally painful to a leader if you are uncomfortable in the exercise of aggression necessary to tell someone the truth about their performance. Ideally, the firing process should not be a surprise.

The effective leader ought to be discussing performance on a regular, contemporaneous basis, not just at review time. People should be helped to be aware of their strengths and successes as well as the more problematic areas of their performance. When feedback is used effectively, and delivered regularly, the employee can be fully aware, before the scheduled review that they have been in a role where they are struggling to succeed. In these situations, the firing or reassignment process becomes more of a discussion of work-fit. The employee may then embrace the experience as an opportunity to be redeployed in a situation where they can more likely succeed and feel fulfilled!

The ugly duckling in one pond can be the beautiful swan in another.

Learning about one’s capacities and one’s deficits is part of the process of effective career development, which we will discuss further in the next chapter.

Exercises

- Ask: Who are the “thought” or “action” leaders in the organization?
- Action: If there are none, identify those that could work well in such positions.
- Action: Hire for matches in required skill, social networking and organizational culture.
- Action: Use performance reviews to assist in the process of personal career growth and development.
- Action: Extend performance reviews to include everyone, at every level in the organization, including the leader.
- Ask: Am I discussing performance on a regular, contemporaneous basis, not just at review time. Are individuals aware of their strengths and successes as well as the more problematic areas of their performance? Are they aware of potential solutions to these problematic areas?
Chapter 8
“If your actions create a legacy that inspires others to dream more, learn more, do more and become more, then, you are an excellent leader.”
- Dolly Parton

Envision Your Career Trajectory
When considering your career, it is useful to envision it as a trajectory. The trajectory marks the course of its development from initial discovery, to fulfillment and realization, to a generative, satisfying role at the end.

Career trajectory is often unpredictable and non-linear. Additionally, expectations of your career, based on your early knowledge and experience, will change over time, as you mature and evolve; accumulating new interests, new experiences and developing new skills.

The ideal outcome at the end is to feel that you have progressed down a path that was both satisfying and well suited for you, that you explored the options you loved, and that you tried a variety of different things, ending up with some sense of expertise and accomplishment.

You may or may not set out to be a leader, but through the course of life, both planning and serendipity, play a part in your pathway arriving there.

Career Development
Career development is a process. It is driven by a combination of five factors: (1) interests, (2) skills and abilities, (3) passions, (4) personality and (5) opportunities. Each of these five elements is critical and influential in the trajectory of your career.

The first step is discovering your areas of interest. Enhancing opportunities to experience new areas is crucial to success in discovering those interests. How do you know that you will like or that you will fit in a particular area, unless you try it out first and expose yourself to the elements of that specific work situation?

You will be happiest and most successful pursuing an area that captivates your curiosity. Will it be in the field of technology, interpersonal relations, social service, health care or finance for example? Interests can develop in early childhood through exposure early in life. But your life may afford you only limited opportunities early on, and in many cases, you may not be introduced to some compelling area until later in life.

Skills and abilities may develop from your innate talents and capacities. Discovering those areas where you are naturally adept enhances the chance of happiness and success. But, even if certain abilities don’t at first come naturally, it may still be possible to train yourself and learn those skills. The work match is best when the skill sets match the job and role you play at the job.

Passions and emotional attachments may play a strong role in directing your career choices. Sometimes a childhood experience may have a strong hold on you. Dealing with a sick or disabled relative may motivate someone to pursue a career in caring for others or helping others to overcome disabilities. A parent or role model can become an object of identification, leading you to pursue a similar line of work because of your strong emotional tie to that individual. A strong empathic reaction to people in certain difficulties.
can create the emotional drive to pursue a career helping others in underserved or under-
cared for populations through service or political action. When the emotional motives are
strong, the career pursuit may become highly charged with importance and even assume
the power of a “calling.”

Those who pursue work that is influenced by this passion can be highly enthusiastic,
driven and thrilled to be able to do this kind of work. The downside, however, is that when
this choice of work doesn’t succeed or meet expectations, people may get quickly
demoralized and burned out. Career burn-out is not so much a product of over-work as it
is the outcome of intense commitment, sometimes without other sources of gratification.
When the fulfillment of this commitment gets obstructed, the frustration can be intense and
profundly demoralizing. Protection from burn-out comes from a capacity to be able to
detach and step back from the drive of the powerful motives that often compel you to this
kind of work.

Personality match is an important component of career success. Your personality
influences the way you like to work. Do you prize interpersonal connection in the course of
your work-day or do you prefer to work alone? Do you struggle with anxiety or are you
able to detach yourself and step back from the tension? Are you a quantitative person,
operating more with logic, or are you drawn to emotions, always resonating with feelings?
Do you like to take charge and create outcomes or are you better at creating environments
for others to succeed by facilitating processes rather than making widgets? There is a
spectrum of personalities that may be suitable for leadership roles. Each personality style
will be best suited to lead in different ways.

I have seen successful leaders who are introverts and others who are extroverts, for
example. Some successful leaders operate with a style of “command and control,” while
other successful leaders are more “facilitative.” What all successful leadership styles share
in common is the capacity to understand people, to synthesize information, to see
opportunity, to allocate resources and to put a team together and help them work well as a
networked organization.

Opportunities and experiences are an important contribution to successful career
trajectories. Exposure to experience can be either planned and sought after, such as
pursuing graduate school programs or internships after school, or transformational
opportunities may be arrived at by chance and happenstance. I have noticed how often the
random, chance encounter or the unexpected life event or connection can lead people
down an engaging path that they least expected that turns out to be more satisfying than
ever imagined. It is crucial to leave yourself open to opportunity, to allow yourself to try
paths that become unexpectedly available, that you otherwise might have never considered
pursuing. A connection through a spouse, a child, or a friend might open up or create a
direction in life that you might otherwise have never considered. Can you bring your
interests and skills to bear in a helpful way in a new and different area? Novel and creative
combinations might lead you to unique career paths.

**Expanding and Changing Career Roles**

Expanding and changing career roles are critical, especially as you travel along your career
track. For careers to continue to stimulate and engage, you must change and boost the
challenges you face. There is nothing more satisfying at work than a sense of mastery.
Once the mastery stops, the work becomes repetitive, and less engaging. This, too, can
become another source of burnout. This is particularly challenging even for professionals such as lawyers or doctors who perform the same repetitive tasks over and over.

Leaders, too, can get stuck in a rut of repetition. Once they have mastered the challenges of a static organization, the work becomes routine and less compelling. This is why it is often best to impose a limit on the timeline to succeed for someone entering an organization as a leader. It initially takes some time to get the “lay of the land,” perhaps a year or two, or in more complex organizations a bit longer. Then the individual needs to create his or her own agenda for action and transformation. This perhaps may take another year or so. Then the agenda needs to be carried out by engaging people inside and out. After an extended tenure it is time for a change, again. It is best for someone with a fresh vision to step in and try anew – someone new, without the over commitment and “ownership stake” in the old system, to re-evaluate processes and directions, according to the changes in the world.

While leadership change is disruptive to any organization, it can also ultimately be a constructive and creative process of renewal. The fresh eye of a new leader, offers a fresh perspective. The marketplace is re-conceptualized; the work structure is seen in new ways. The old ways of doing business are questioned and challenged. Fresh blood leads to creativity.

**Personal Transition**

At mid-career, people often go through a crisis of identity in their career. They have successfully mastered a challenge of becoming a successful professional, and they begin to recognize the limitations of their life. They see time, health and relationships in a different perspective. They may question how they have been pursuing life so far and wonder if there is something they have been missing. They may consider what else might lead to greater satisfaction or fulfillment. Some people may sink even deeper into a period of self-examination and, perhaps self-doubt, which can lead to a sense of uncertainty or depression. This is the so called “mid-life crisis.”

Perhaps they have a passion that they have not yet pursued. At mid-career, there is still time left to add new skills and directions to the existing repertoire of experiences. This can be a time of career renewal through change.

The former leader can bring a developing wisdom to a new, fresh situation. As successful leaders age and develop in their careers, they may choose to develop more mentoring and create generative relationships. At the end of the career span, before the rigidity of aging has set in, leaders may share their vitality, wisdom and caring for others as they choose to take advisory positions, sit on boards and consult to organizations facing challenges in their development.

 Remember, that being an effective CEO involves guiding, mentoring, and developing your staff and others in their successful career trajectory. Becoming aware of the components and contributions to one’s own success and satisfaction at work can be valuable in how it informs one in mentoring and guiding others.

The cycle which began with exploring and discovering one’s career path, through finding and immersing oneself in multiple opportunities, now gets actualized through the sharing of one’s knowledge and experience with others. In this stage of trajectory, your
sense of satisfaction is ultimately more completely fulfilled through giving back to others through mentoring and volunteering.

Successful and happy retirement can be the outgrowth of a thoughtful process. At best, there should be some preparation and planning in advance. Successful development and transition to new areas of interest and to the successful pursuit of new paths takes some anticipation and planning in advance.

Advance planning will facilitate making headway in establishing opportunities prior to the retirement date. People should choose to begin to get involved in these directions, whether it is philanthropic work, mentoring or volunteering, as they start contemplating this transition. This way, when they finally get there, the relationships and pathways are already established, and the process is already underway.

One CEO began his transition five years before retiring. He was invited to and joined several Boards and Overseer groups. He took a leadership role in these groups, leading a CEO search for one company and then mentoring and advising the chosen new leader. He established a philanthropic foundation, engaging two family members for assistance in establishing and directing contributions to causes that had personal meaning to him and his family. He also got more involved in government and political causes. He found his “retirement” as fulfilling as his professional career.

The cycle of one’s career ends in the satisfaction of offering the wisdom of one’s experiences to others.

“The adventure of life is to learn. The purpose of life is to grow. The nature of life is to change. The challenge of life is to overcome. The essence of life is to care. The opportunity of life is to serve. The secret of life is to dare. The spice of life is to befriend. The beauty of life is to give.”
- William Arthur Ward