



# Authentic Leadership

Leaders are in the business of creating the future. In fact, the best definition we've found for leadership is *the capacity to take responsibility for creating future results with integrity*. Your job as a leader is to declare the results you are going to create and then take responsibility for doing so. Not just by yourself or through your own efforts, but by marshalling, inspiring and coordinating the people around you.

The problem today is that most leaders feel overwhelmed. There are never enough resources to go around. There are never enough hours in the day. And over time, it starts to feel like there's not enough fuel in the tank.

Leaders have good reasons to feel overwhelmed. The nature of technology keeps changing, such as with social media, cloud computing and AI. The nature of business keeps changing, such as with globalization, virtual supply chains, and the gig economy. And the nature of the workforce keeps changing, such as with the dynamics of managing millennials, the importance of social responsibility, and the force of #MeToo. Where the primary task of leadership used to be about conquering the competition, today it's about keeping up with the pace of change.

In response, a quiet revolution has been happening in boardrooms across the world. In company after company, there has been a growing realization that the old paradigm of leadership isn't working, and that a new model is needed. This change goes by many names. Some people call it servant leadership. Jim Collins called it Level 5 Leadership. We call it the evolution from Heroic to Authentic Leadership. But whatever you call it, it's not just a term or an idea. It's a transformational shift.

Bill George was the Chairman and CEO of Medtronic. He is a Full Professor at Harvard Business School, was named "One of the Top 25 Business Leaders of the Past 25 Years" by PBS, and sits on the boards of Exxon Mobil, Goldman Sachs and the Mayo Clinic. He coined the term Authentic Leadership in 2004, in response to deep changes he was seeing in the companies he was part of. Bill reports that after the financial crisis of 2008, there was a realization at the highest levels of Corporate America that the crisis had been caused by the prevalence of an old school, charismatic, ego driven paradigm of leadership, and that this urgently needed to change. As a result, Authentic Leadership is increasingly being treated as the new "gold standard."

*"Today, authenticity is seen as the gold standard for leadership. The hierarchical, directive leadership style so prevalent in the past century is fading fast in favor of today's collaborative leaders. The old notion of leaders as the smartest guys in the room – as Enron CEO Jeff Skilling typified – has been replaced by leaders with high levels of EQ."*

– Bill George, Discover Your True North

Heroic Leaders are hierarchical and directive. They need to prove that they're always "the smartest guys in the room." Leadership is all about them and their ability to have the right answers. They see business as a battle and they measure success in terms of beating their numbers and conquering the competition.

Authentic Leaders understand that in today's world, the important problems require collaboration and creativity rather than just command and control. They serve their values more than their egos. They focus on their customers more than their competitors. They see their job as bringing attention to the important questions rather than just having the right answers. And they tend to be extraordinarily effective.

## The Value of Leadership

Extensive evidence, compiled over the last 50 years, has conclusively demonstrated that leadership and management, taken together, form the primary predictor of business success. In an extensive review of this research for their book *Developing Management Skills*, David Whetten and Kim Cameron reported:

*"In the last decade or so, an abundance of evidence has been produced that skilled management – especially those competent in the management of people in organizations – is the key determinant of organizational success. These studies have been conducted across numerous industry sectors, international settings, and organizational types. The research and findings now make it almost unquestionable that if organizations want to succeed, they must have competent, skilled managers. For example, in one study of 968 firms, representing all major industries in the United States, organizations whose managers effectively managed their people – that is, they implemented effective people management strategies and demonstrated personal competency in management skills – had, on the average, a decrease in turnover of more than 7 percent, increased profits of \$3,814 per employee, \$27,044 more in sales per employee, and \$18,641 in stock market value per employee, compared to firms that had less effective people management. In a follow-up study of 702 firms shareholder wealth was an amazing \$41,000 per employee higher in companies demonstrating strong people management skills than in firms that had less effective people management."*

In one of the largest studies of its kind, Robert Anderson and William Adams found a very high correlation (0.61) between leadership effectiveness and business performance. And Jim Collins found that what he called Level 5 leadership was the single most important factor in companies that made the leap From Good to Great.

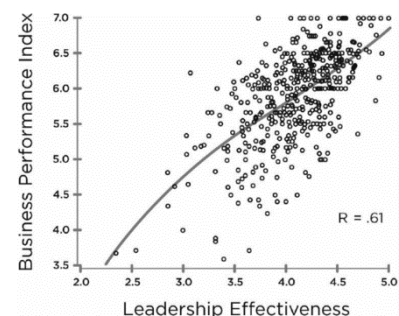
These statistics will probably come as no surprise to you, particularly if you've ever worked with a truly excellent leader – or one who was truly awful. There's a reason why *Dilbert* and *The Office* have developed such a widespread following. Yet if you're like most leaders, finding and committing the time to effectively develop your leadership is probably somewhere near the bottom of your to do list. Why is this? If we know that leadership is of such paramount importance, why do most leaders invest so little time in developing it?

Because they're overwhelmed.

It's one thing to understand that leadership is important; that leadership is something you develop not something you do; and that with each level of responsibility you take on, there's another level of leadership competence you need to invest in developing.

It's another thing to carve out the time and energy to actually do so.

This is the core challenge of leadership. And it's what we're here to help you address. Whether through executive coaching, workshops, group facilitation, or leadership training programs, our mission is to help you grow your leadership in practical, efficient and highly effective ways – on the job and in real time.



## Leadership Drives Culture

It's common to think of leadership as something you have – as a position you hold – or as something you do. But leadership isn't determined by your authority. It's determined by your capacity to take responsibility for creating results. As such, it's something you *develop*, rather than something you *do*. And it's something that can be practiced by any person, in any position, at any time.

The way that people take responsibility for creating results is the primary factor that determines a company's culture. After ten years of research covering 24,000 people, Dale Logan, John King and Halee Fischer-Wright discovered that there are five stages of company culture. These are stages rather than levels, because an organization can only improve one stage at a time. Stage 4 companies have a profound advantage over Stage 3 companies, who have an equally profound advantage over Stage 2 organizations. Stage 5 organizations are extremely rare and tend to be legends in their industries.

Culture	Language	Implication	Paradigm	Leadership
Stage 5	"Life is great"	"... and needs to be honored"	Higher Service	Authentic Leadership
Stage 4	"We're great"	"... and they're not"	Providing Value	Benevolent Leadership
Stage 3	"I'm great"	"... and you're not"	Proving Worth	Heroic Leadership
Stage 2	"My life sucks"	"... but others' lives don't"	Victim	Beauraucratic Leadership
Stage 1	"Life sucks"	"... so I will take what I can"	Deep Victim	Authoritarian Leadership

Each stage comes with its own language patterns. At Stage 1, which is more common in gangs, "life sucks" and the implication is "so I will take what I can." At the next stage, "my life sucks" and the implication is "but others' lives don't." These first stages are characterized by an avoidance of personal responsibility, either as a Deep Victim ("life sucks") or as a Victim ("my life sucks"). This perspective is toxic. In our experience, the single most valuable thing many companies can do to improve productivity is to put formal processes in place to spot and avoid hiring people who are living from a paradigm of Deep Victim or Victim.

The language of Stage 3 is "I'm great," with the implication "and you're not." The advantage of this stage is that people are now achieving, taking personal responsibility, and working to get ahead. The challenge is that they need to beat others in order to do so, which results in a collection of players jockeying for position rather than an organization that functions as a true team. This shows up as a shift from Victim to Proving Worth, where people are now taking ownership of their actions but need to regularly prove their worth and defend their egos. This is the stage of individual competition and Heroic Leadership.

Stage 4 is where true teamwork shows up. Here the language shifts to "we're great" and people focus on Providing Value instead of Proving Worth. This is a big leap, which usually starts with the executive team making the shift from Heroic to Authentic Leadership and then supporting others to do the same.

More than 80% of companies have a combination of Stage 2 and/or Stage 3 cultures. While leaders sometimes rate themselves as being two stages higher than their company's culture, very rarely are they more than a stage ahead. Leaders drive culture. It's their job. And a strong culture is one of the most powerful competitive advantages you can create.

*"Culture eats strategy for breakfast."*

– Peter Drucker

## Developing Your Authentic Leadership

While business results are usually measured in terms of improving the bottom line, Authentic Leadership is measured by your capacity to handle *competing values*. Is it your responsibility to improve results or relationships? Yes. Is it your job to create growth or stability? Yes. Is it more important for you to be an introvert or an extrovert? Yes. Should you focus more on your work or on the rest of your life? Yes.

Where Heroic Leaders attempt to find a balance between competing values, Authentic Leaders find ways to simultaneously improve both. While at first this may seem difficult, it's the key to creating sustainable success, both for you and your company.

Competing Values	
Results	Relationships
Growth	Stability
Introvert	Extrovert
Work	Life
Credibility	Vulnerability
Profits	Purpose

For both Heroic and Authentic Leaders, the core competencies of leadership include:

- Managing Time and Reducing Stress
- Creating Positive Accountability
- Negotiating With Power
- Creating Alignment and Resolving Conflict
- Creating Positive Motivation
- Leading Change and Cultivating Leaders

While the core competencies are the same, Authentic Leaders approach these tasks in qualitatively different and more powerful ways.

This results in a compelling, almost unfair competitive advantage. In the study by Anderson and Adams, after finding a 0.61 correlation between business performance and leadership effectiveness, they found a 0.65 correlation between leadership effectiveness and stages of leadership development. Authentic Leaders (stages 5 to 6 on this scale, which is equivalent to culture stages 4 and 5) demonstrated markedly higher effectiveness than Heroic Leaders.

In our experience, as leaders make this transition and begin to master their Authentic Leadership, they start to run circles around their competitors. It's like they're not even playing the same game. As they do so, their business results improve, their stress levels drop, their power and confidence improve, their excitement grows, and they experience more joy with their work, their families, and their lives.

If this resonates with you, and you're interested in exploring the question of how to best develop the Authentic Leadership of yourself and/or your organization, please email [consultation@corecoaching.org](mailto:consultation@corecoaching.org) to request a confidential, complimentary consultation with one of the members of our team.

Heroic Leadership	Authentic Leadership
Command and Control	Collaborate and Create
Right Answers	Important Questions
Ego Driven	Values Driven
Either/Or	Both/And
Fear as a Weakness	Fear as a Warning
Credible or Vulnerable	Credible and Vulnerable



Note: These stages calibrate one point higher than those in the five stages of culture by Logan, et. al.