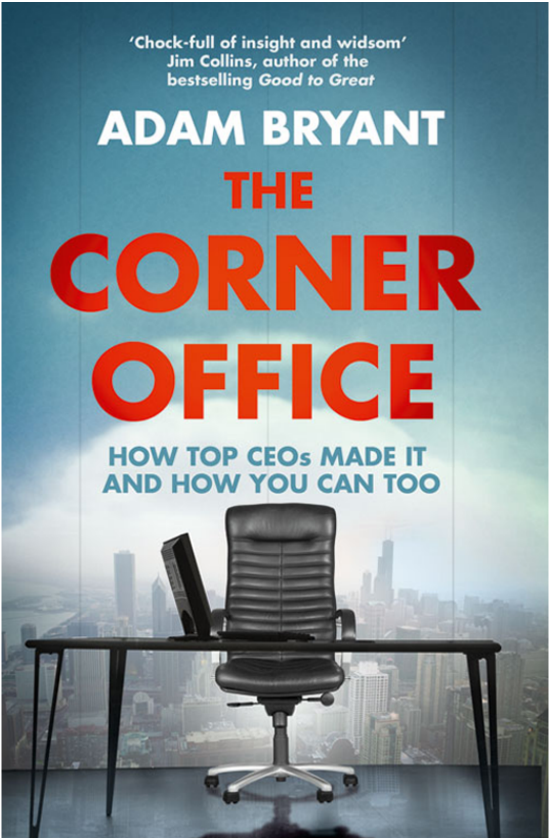
'Chock-full of insight and widsom'
Jim Collins, author of the
bestselling *Good to Great*
ADAM BRYANT
THE
CORNER
OFFICE
HOW TOP CEOs MADE IT
AND HOW YOU CAN TOO

Adam Bryant
The Corner Office

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Аннотация

Aspirational business book based on interviews with over 75 leading American CEOs.

What does it take to succeed in business and to inspire others? Adam Bryant of The New York Times sat down with more than seventy-five CEOs and asked them how they do their jobs and the most important lessons they learned as they rose through the ranks.

The Corner Office draws together lessons, memorable stories, and eye-opening insights from chief executives like Steven Ballmer (Microsoft), Carol Bartz (Yahoo), Jeffrey Katzenberg (DreamWorks), and Alan Mulally (Ford), as Bryant reveals the keys to success in the business world, including the five qualities CEOs value most in their employees, and shows how executives at the top of their game get the most out of others.

For aspiring executives, of any age, The Corner Office offers perspectives that will help anyone who seeks to be a more effective leader and employee, and a path to future success.

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Adam Bryant
THE CORNER OFFICE
How Top CEOs Made It and How You Can Too

Harper Press

To Jeanetta, Anna, and Sophia

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INTRODUCTION

For investors and business journalists, stock-price fluctuations and quarterly results offer a steady stream of report cards for evaluating a CEO's work. And then, every spring, when proxy season rolls around and companies disclose the compensation packages for top executives, another round of report cards begins. This transparency keeps people honest and creates a relatively level playing field (except, of course, when the numbers lie). From these data, a story line emerges around the CEOs as strategists, and we focus on their successes, their failures, their challenges. Have they sized up the industry landscape correctly and developed a plan to beat their competitors? Are they executing this plan in a disciplined fashion?

For this book, I was interested in pursuing a different story line about CEOs – their own personal stories, free of numbers, theories, jargon, charts, and with minimal discussions of their companies or industries. I wanted to hear what they had learned from their ups and downs, their stories about how they learned to lead, the mistakes they made along the way, how they fostered supportive corporate cultures, and how they do the same things that every other manager does – interview job candidates, run meetings, promote teamwork, manage their time, and give and get feedback.

While setting overall business strategy is certainly an important part of a CEO's job, leadership shapes every part of their day. Once they have a plan, the challenge becomes making sure they have the right people on the team, and getting the most out of them and the broader organization. CEOs may not study leadership in books or develop new silver-bullet theories, but they are experts in leadership because they practice it daily. And many of them have spent the better part of a decade or more honing their leadership styles, through trial and error, studying what works and what doesn't, and then mentoring others.

CEOs have learned firsthand what it takes to succeed and rise to the top of an organization. From the corner office, they can watch others attempt a similar climb, and notice the qualities that set people apart. As they evaluate talent, they learn to divine why one person is more likely to succeed than another. When they bring in talent from the outside, they watch as some new hires blend in better than others. Who succeeds? Who fails? Why? It's a feedback loop that expands with every additional person they manage, creating a kind of laboratory for studying the qualities that enable people to succeed. CEOs study team dynamics, too. If one division or group consistently outperforms another, why is that? What leadership skills does that division or group leader possess? Finally, there is feedback from the marketplace. In business, there are constant judgments and scores. From quarter to quarter, CEOs can determine whether their strategies and leadership styles are working, and whether they need to be adjusted.

CEOs face criticism from many corners, and it is often deserved. But there is no arguing that they have achieved a great deal, through a combination of smarts, hard work, attitude, and commitment. They have much to offer beyond a return on a shareholder's investment.

I have spent much of my two decades in business journalism interviewing CEOs and asking variations of the question "What's the strategy for your company?" But I found myself growing more interested in asking them questions like "How do you do what you do?" "How did you learn to do what you do?" and "What lessons have you learned that you can share with others?"

I developed an appreciation for what effective leadership can mean for a company – and the skills a CEO brings to the table – when I covered the airline industry in the mid-1990s as a reporter for the *New York Times*. It was a particularly turbulent time in the business, and some of the executives running the carriers were larger-than-life characters. The airline industry, I realized, was like the National Football League. There are team colors and logos – and people have strong passions about which teams they love and hate. Each team has roughly the same equipment, and, as in football, the playing field is reasonably level. One airline can instantly copy an effective strategy from a competitor, whether it's a fare sale or a new twist to the frequent-flyer program. Like defensive and offensive players in football, the employees of each airline are organized into their own specialized units

– pilots, flight attendants, mechanics, baggage handlers, gate agents, white-collar workers. I found that what really made the difference from one airline to another was leadership. The culture and tone started at the top, and each company reflected the personalities of its CEO, whether it was Robert L. Crandall at American, Herb Kelleher at Southwest, Stephen M. Wolf at United, or Gordon M. Bethune at Continental. The leader who understood how to get his employees to work together as a team had an advantage.

Gordon Bethune in particular faced a difficult challenge in 1994 when he took over Continental, which had made trips through bankruptcy court and had become a punch line for airline jokes on late-night television.

He figured out a simple plan about what mattered to customers, and promised to share rewards with the entire workforce if they hit certain performance measures better than their competitors. He believed that the additional revenue from pulling away premium customers from Continental's competitors and the reduced costs from a better on-time record would more than justify the cost of paying out some of the benefits to workers.

"What you measure is what gets accomplished," Bethune told me during one of several conversations we had in the mid-1990s. "Most businesses fail because they want the right things but measure the wrong things, and they get the wrong results."

Bethune was fast on his feet with expressions that crystallized a problem or question. He didn't apologize, for example, for bringing in high-priced talent from the outside to join his management team. "Now you can hire a brain surgeon, or you can hire a proctologist at half-price who wants to learn," he said. He invested in better ser vice and employee morale instead of single-mindedly cutting costs. "You can make a pizza so cheap, nobody will buy it," he was fond of saying.

He understood that basic ideas were reliable tools, and his turnaround success at Continental brought credibility to his keep-it-simple approach. No jargon, no theories. Just memorable insights and stories from a CEO that had the ring of truth.

"If you say three things in a row that make sense, people will vote for you," he said.

And one good story about leadership and management from an executive who has worked hard to learn it is equal to ten theories about what should be or could be done in a certain situation.

I discovered over the course of in-depth interviews with more than seventy CEOs and other high-ranking executives that they all have remarkable stories to tell, filled with insights and lessons for others. I've studied the transcripts for patterns and connections, and organized them into the chapters that make up the three parts of this book: "Succeeding," "Managing," and "Leading."

My goal is not only to offer a new story line about CEOs as managers but also to provide some back-to-basics help for managers at all levels of business, particularly since so many of the grand notions about transformative business practices have failed to live up to their billing amid the rubble of the busted economy. Employees have higher expectations of their employers now, too, and the companies that can engage them deeply will win the battle for talent.

To be sure, not all CEOs are successes, and a falling stock price can be a sign of an executive out of his depth rather than a lesson in adversity that will make the CEO, and his company, stronger in the long run.

But after interviewing dozens of executives, I was reminded of the first line of Leo Tolstoy's *Anna Karenina*: "All happy families are alike; each unhappy family is unhappy in its own way." Many of the CEOs I interviewed resembled one another in their approach. They listen, learn, assess what's working, what's not and why, and then make adjustments. They are quick studies, and they also tend to be good teachers, because they understand the pro cess of learning and can explain what they've learned to others. They seem eager to discuss their hard-earned insights rather than hold on to them as if they were proprietary software.

They shared many of the same notions about leadership and management. They put a premium on direct and frank communication, and flattening the organization. They try to use questions more than statements, so that their employees take ownership of their roles rather than simply take orders from the CEO. They provide a sharp contrast to command-and-control leadership styles of the past, when CEOs isolated themselves from employees – literally, in some cases, with a private elevator down to a reserved parking space, and in more subtle ways. Now they want to mix it up. "I love that people push back on me, and it gets to better ideas," said Sheila Lirio Marcelo, CEO of Care.com. "I'm really focused on pushing people to gain the confidence to logically debate with a CEO."

Many successful CEOs reward honesty and input, and show their interest in learning what others think, by holding town-hall meetings, seeking the advice of people at all levels of the company, and asking employees what they would do if they were in charge. "The best ideas or important ideas or new ideas can come from anywhere in an organization," said Tim Brown, the CEO of the design consulting firm IDEO, recalling how a boss valued his opinions when Brown was in his early twenties. "So you'd better do a good job of spotting and promoting them when they come, and not let people's positions dictate how influential their ideas are."

These CEOs also try to create a culture of learning in their organizations, so that, collectively, employees can adjust to the constant changes and challenges of business. The global business environment requires collaborative learning. No single person has the answer anymore, and smart companies try to harness the multiplier effect of bringing people together to share their unique experiences and perspectives on a problem.

"I like building teams with people who come from very different backgrounds and have very different experiences," said Susan Docherty, a vice president of General Motors. "I don't just mean diverse teams, in terms of men and women or people of different color or origin. I like people who have worked in different places in the world than I have, because they bring a lot more context to the discussion. That's something that I value a tremendous amount. I make sure that when I'm looking at people for my team, it's not just what's on their résumé—their strengths or weaknesses or what they've accomplished – but it's the way they think. I can learn twice as much, twice as quickly, if I've got people who think differently than I do around the table."

This book is meant to be that meta phorical table, at which dozens of CEOs, from vastly different backgrounds, countries, and industries, share their insights on how they lead and manage and the best lessons they've learned. These executives don't live up to their own ideals every day – nobody does – and at times some of them have fallen well short. But that doesn't diminish the value of their specific insights or the benefits from hearing them discuss their goals for their companies, and for themselves as leaders. The conversations that inform this book are a kind of time-out from the weekly churn of business – earnings, strategy statements, PowerPoint presentations, SEC filings – and are designed instead to reveal more about CEOs as people, not just as the faces of their companies.

In the chapters that follow, I have tried to play the role of dinner-party host, encouraging lively discussion and pointing out connections among the people gathered. My goal is to frame the conversations but not to dominate them, and to let the people around the table share their stories in their own voices. It's not just what they say that's important – how they say it is revealing, too.

Everybody will read this book differently. Some passages will resonate more than others, and some readers will connect more closely with the experiences and insights of certain executives. That's the nature of collaborative learning. There is no single way to lead or to manage. We all have to figure out what makes sense on our own, and develop our own story lines as leaders. The insights offered by the CEOs in these pages can help speed the learning pro cess for those coming after them and offer fresh approaches to peers looking for new ideas. It doesn't have to be so lonely at the top, or during the climb along the way.

PART ONE
SUCCEEDING

Chapter 1
PASSIONATE CURIOSITY

Imagine one hundred people working in a large company. They're roughly the same age, around thirty-five. They're all vice presidents and share many of the same qualities that got them where they are. They're smart, collegial, and hardworking. They consider themselves team players. They have positive attitudes and they're good communicators. They're conscientious about their jobs. They have integrity.

If everyone shares these qualities, what is going to determine who gets the next promotion? Who is going to move up not just one level, but the one after that, and the one after that? As they move up near the peak of their companies and the ranks thin out, the competition for the top spots is even tougher. Who will land the jobs that report directly to the CEO? What will set them apart from the crowd? When it's time for the CEO to move on, who will get the nod from the board to move into the corner office?

In other words, what does it take to lead an organization – whether it's an athletic team, a nonprofit, a start-up, or a multinational corporation? What, at the end of the day, are the keys, the x-factors, to achieving the highest levels of success?

Interviews with CEOs and other leading executives point to five essentials for success – qualities that most of the CEOs share, and which they look for in others when they hire.

The good news: these keys to success are not genetic. It's not as if you have to be tall or left-handed. You don't have to be born into the kind of family that has you swinging a golf club or playing chess not long after you're out of diapers. These qualities are developed through attitude, habit, and discipline – factors that are within everyone's control. They will make you stand out in any setting or organization. They will make you a better employee, manager, and leader. They will lift the trajectory of your career and speed your progress along it.

The qualities these executives share: Passionate curiosity. Battle-hardened confidence. Team smarts. A simple mindset. Fearlessness.

These aren't theories. They come from decades of collective experience of top executives who have shared their perspectives and stories about their own rise through the ranks, and why they promote some executives over others in their organizations. Each of these qualities is important and multifaceted enough to have a chapter of its own, starting with passionate curiosity.

Many successful CEOs are passionately curious people.

It is a side of them rarely seen in the media and in investor meetings, and there is a reason for that. In business, CEOs are supposed to project calm confidence and breezy authority as they take an audience through presentations filled with charts predicting steady gains in revenue and profit. Certainty is the game face they wear. They are paid to have answers, to see around corners, and to have a firm grasp of the competitive landscape. When they are right, their pictures appear on the covers of glossy business magazines. The message is, they've got it figured out. They've cracked the code.

But get them away from these familiar scripts and settings and ask them instead about important lessons they've learned over the course of their lives, how they lead and manage day-to-day, and a different side emerges. They wrestle with tough issues. They share stories about failures and doubts and mistakes. They ask big-picture questions. They seem like eager students who devour insights and lessons, and are genuinely, enthusiastically interested in everything going on around them. Take them away from balance sheets and strategy and they seem more like natural teachers with agile minds. They wonder why things work the way they do and whether those things can be improved upon. They want to know people's stories, and what they do.

It's this relentless questioning that leads entrepreneurs to spot new opportunities and helps managers understand the people who work for them, and how to get them to work together effectively. It is no coincidence that more than one executive uttered the same phrase when describing what, ultimately, is the CEO's job: "I am a student of human nature."

The same mental agility enables a CEO to engage with every one of his or her direct reports – in marketing, finance, operations, R&D – and be able to grasp the key issues, without the specialized experience of each of their subordinates. The CEOs are not necessarily the smartest people in the room, but they are the best students – the letters could just as easily stand for Chief Education Officer. They learn, they teach, and they understand people and the business world, and then bring all that knowledge together to drive their organizations forward.

"You learn from everybody," said Alan R. Mulally, the CEO of the Ford Motor Company. "I've always just wanted to learn everything, to understand anybody that I was around – why they thought what they did, why they did what they did, what worked for them, what didn't work."

Dawn Lepore, the CEO of Drugstore.com, took advantage of her role as the chief technology officer at Schwab to learn from other CEOs about leadership.

"I had the benefit of being able to interact with a lot of technology CEOs, because they would come to sell to me," Lepore said. "So I got to meet with Scott McNealy, Bill Gates, Steve Ballmer, John Chambers, and others. And I would always say to them, 'Let's talk about your product, but I'd really love to hear more about your company, your culture, your leadership.' So I really picked their brains. I learned something from every single one of them. And I've served on a bunch of different boards, and I've had an opportunity to just learn from the CEO of the company as well as all the other board members."

Some people consider themselves more left-brained, analytical thinkers, while others see themselves as more creative, right-brained types. But not these executives. Nothing is ruled out. Everything can be important and interesting, a new area to be studied and grasped.

"I'm not a high numbers person and I'm not a high emotional person," said Carol Smith, senior vice president and chief brand officer for the Elle Group, which publishes *Elle* magazine. "I'm a total combination of the two. I definitely have a middle brain, which I think might be a very nice brain to have in this position. I think it's served me well."

David C. Novak, the CEO of Yum Brands, which operates fast-food chains like Pizza Hut, Taco Bell, and KFC, likes to hire people who have this balance.

"In the best of all worlds," Novak said, "you want someone who's whole-brained – someone who is analytical and can also be creative enough to come up with the ideas and galvanize the organization around a direction that's going to take us to someplace that we might not have known we could go to. I think it's easier to find left-brained people than it is to find truly creative people. I think what we need in our leaders, the people who ultimately run our companies and run our functions, is whole-brained people – people who can be analytical but also have that creativity, the right-brain side of the equation. There's more and more of a premium on that today than ever before."

Jen-Hsun Huang, the CEO of Nvidia, the computer graphics company, said both sides of his brain play important roles in finding new opportunities.

"I don't like making decisions with analytics," he said. "I actually like making decisions with intuition. I like to validate the decision with analytics. I don't believe you can analyze your way into success. I think it's too complicated. You have to use intuition, which is everything – your artistic sensibility, your intellectual sensibility, experience. Now once you pick a direction, you want to try to validate it as often as you can. I think successful people have wonderful capabilities with both."

Why "passionate curiosity"? The phrase is more than the sum of its parts. Many CEOs will cite passion or curiosity as an important trait in the people they look to hire.

They make persuasive cases for why each is important.

"What I really want to know is what kind of person I'm dealing with," said Joseph J. Plumeri, the CEO of Willis Group Holdings, an insurance broker. "So I only ask one question. I say, 'Tell me what you're passionate about.' That's it. What ever you want to talk about. Tell me what you're passionate about. Digging holes. Riding bikes. I'm looking to see if they've got a passion. I'm looking to see if there's anything inside, other than what they do. And how passionate could they be, therefore, about being here? And how excited and involved could they be? I'm not looking for a mirror image of me. I'm just looking for somebody who gets turned on about something. If you find that kind of person, then these are the people you want to climb hills with and climb mountains with."

Robert Iger, the CEO of Disney, said curiosity was a key quality he looked for in job candidates.

"I love curiosity, particularly in our business – being curious about the world, but also being curious about your business, new business models, new technology," he said. "If you're not curious about technology and its potential impact on your life, then you'll have no clue what its impact might be on someone else's life."

Passion. Curiosity. Both are important. But those words, separately, fall short of capturing the quality that sets these CEOs apart. There are plenty of people who are passionate, but many of their passions are focused on just one area. There are a lot of curious people in the world, but they can also be wallflowers.

But "passionate curiosity"—a phrase used by Nell Minow, the co-founder of The Corporate Library – is a better description of the quality that helps set CEOs apart: an infectious sense of fascination with everything around them.

Passionate curiosity, Minow said, "is indispensable, no matter what the job is. You want somebody who is just alert and very awake and engaged with the world and wanting to know more."

People with this quality are sponges for information, for insights, wherever they are, what ever they're doing.

"I think that the best leaders are really pattern thinkers," said David Novak of Yum Brands. "They want to get better. Are they continually trying to better themselves? Are they looking outside for ideas that will help them grow the business? I look at it in the context of their own personal development. They're constantly trying to learn how they can become better leaders and they're constantly trying to learn how they can build a better business. They soak up everything they can possibly soak up so that they can become the best possible leaders they can be. And then they share that with others."

Though CEOs are paid to have answers, their greatest contribution to their organizations may be asking the right questions – a skill that starts with passionate curiosity.

They recognize that they can't have the answer to everything – that's why they hire specialists to handle different parts of their organization – but they can push their company in the right direction and marshal the collective energy of their employees by asking the right questions. That, after all, is where the new opportunities are.

"In business, the big prizes are found when you can ask a question that challenges the corporate orthodoxy that exists in every business," said Andrew Cosslett, the CEO of InterContinental Hotels Group. "In every business I've worked in, there's been a lot of cost and value locked up in things that are deemed to be 'the way we do things around here,' or they're deemed to be critical to – in the hotel world – a guest experience. So you have to talk to people and ask questions. I just keep asking people, 'Why do you do that?' "

It's an important lesson. For all the furrowed-brow seriousness and certainty that you often encounter in the business world, some of the most important advances come from asking, much like a per sis tent five-year-old, the simplest questions. Why do you do that? How come it's done this way? Is there a better way?

"I do think that's something we forget," said Tim Brown, the CEO of IDEO, the design consulting firm. "As leaders, probably the most important role we can play is asking the right questions. But the bit we forget is that it is, in itself, a creative pro cess. Those right questions aren't just kind of lying around on the ground to be picked up and asked. When I go back and look at the great leaders – Roosevelt, Churchill – one of the things that occur to me is they somehow had the ability to frame the question in a way that nobody else would have thought about. In design, that's everything, right? If you don't ask the right questions, then you're never going to get the right solution. I spent too much of my career feeling like I'd done a really good job answering the wrong question. And that was because I was letting other people give me the question. One of the things that I've tried to do more and more – and I obviously have the opportunity to do as a leader – is to take ownership of the question. And so I'm much more interested these days in having debates about what the questions should be than I necessarily am about the solutions."

Jen-Hsun Huang of Nvidia said that his leadership style today is defined by questions rather than answers.

"It's not possible for the CEO to know everything, but it is possible for us to add value to literally everything," Huang said.

"And the reason for that is, if you're the CEO, you're probably better at looking around corners than most. You probably have better intuition than most. You're probably able to see the forest better than most. You're probably able to deal with complexity better than most. And so you bring a perspective that is unique. By asking the right questions, you can get to the heart of the issue right away. It's almost possible now for me to go through a day and do nothing but ask questions and have my sensibility, my perspective and what's important to me be perfectly clear to everybody without making a statement at all."

Asking questions. Showing genuine enthusiasm. Being interested in the world. It sounds so simple, yet not everyone displays those qualities, particularly in a business culture that values jutjawed certainty. Top executives who are passionately curious can also spot like-minded people from a mile away. They will pick them out of a crowd, and even hire them on the spot – another sign of how rare this quality is.

"I once hired somebody who wasn't looking for a job," said Nell Minow of The Corporate Library. "A guy called to ask me some questions about some corporate governance issue and I just thought he was so bright. I said, 'I'll put some materials together for you and put them in the mail.' And he said, 'Can I come over and pick them up right now?' I said, 'Are you looking for a job?' And he said, 'Well, I'm in an internship right now. I just graduated from college and my internship is going to finish up at the end of the summer.' I told him, 'If you are looking for a job when the internship ends, I'm going to hire you.' And I did."

James J. Schiro, CEO of Zurich Financial Ser vices, said he sometimes picked assistants – to travel with him and help him get things done – just by keeping his eye out for young people who are "smart, bright, energetic."

"The person who works with me now I met on a road show," Schiro said. "He was one of the bankers, and I said, 'I'd like to talk to him.' He came in, and I said, 'Philippe, how would you like to work for me?' He said, 'Doing what?' I said, 'I don't know. I've watched you. You understand this industry. You know more about this industry than I do, and you can just work for me for a year, and then after that year, somebody in this organization will hire you."

Some CEOs worked early on as an assistant – a right-hand man or woman – to a top executive. Did they then ultimately rise to top jobs because of that early experience as an assistant, seeing the world through a CEO's eyes at a young age? Or were they chosen for those assistant jobs because top executives had a keen eye for people who displayed passionate curiosity? Undoubtedly both are true.

The early career of Ursula M. Burns, the CEO of Xerox, is a case in point. She was noticed by top executives early on, and promoted to a level in the organization that few get to see at a young age.

The sharp inflection point in her career at Xerox came in 1989, when she was working in product development and planning. She was invited to a work-life discussion. Diversity initiatives came up, and somebody asked whether such initiatives lowered hiring standards. Wayland Hicks, a senior Xerox executive running the meeting, patiently explained that that was not true.

"I was stunned," Burns said. "I actually told him, 'I was surprised that you gave this assertion any credence.' "

After that meeting, she revisited the issue with Hicks, and a few weeks later he asked her to meet with him in his office. She figured that she was about to be reprimanded or fired. Instead, Hicks told her she had been right to be concerned but also wrong for handling it so forcefully. Then he told her he wanted to meet regularly with her.

"She was enormously curious," Hicks explained. "She wanted to know why we were doing some things at the time, and she was always prepared in a way that I thought was very refreshing." He offered her a job as his executive assistant in January 1990, when she was thirty-one. She would travel with Hicks, sit in on important meetings, and help him get things done. She accepted, and they talked a lot about leadership during downtime.

Burns continued to speak her mind and ask questions inside Xerox – particularly on an occasion in mid-1991 when the stakes were unusually high. At the time, Paul A. Allaire, Xerox's president, held monthly meetings with top managers, and Burns and other assistants were invited to sit in, but off to the side.

Burns noticed a pattern. Allaire would announce, "We have to stop hiring." But then the company would hire a thousand people. The next month, same thing. So she raised her hand. "I'm a little confused, Mr. Allaire," she said. "If you keep saying, 'No hiring,' and we hire a thousand people every month, who can say 'No hiring' and make it actually happen?" She remembers that he stared at her with a "Why did you ask that question?" look and then the meeting moved on.

Later, the phone rang. Allaire wanted to see her in his office. She figured that it was not good news. But Allaire wanted to poach her from Hicks, so she could be his executive assistant. They, too, talked often about leadership. Allaire didn't want to discourage her candor but, like Hicks, he offered tips about how to be more effective—"like giving people credit for ideas that they didn't have but you sold to them, to give them ownership," Allaire recalled advising her. Allaire saw in her the right mix of energy, confidence, and curiosity – an eagerness to learn.

Burns was forceful about asking questions on her way to the corner office. "You have to learn and you have to be curious," her mother always told her.

And how does Burns describe her role today as CEO? "The job is exactly not about having the right answers," she said. "The job is having great questions asked and great people helping you answer them. Not all the right questions come from you, either. But I have a perspective and a purview that allow me to have a different set of questions. If somebody comes to me with a problem, almost surely I'll send it back and say, 'Think about this.

How about this? How about that?' "

As these CEOs have shown, asking good questions can help at every stage of a career, for people just starting out and for those in charge of an international corporation. It bears repeating. They show interest and enthusiasm, and they ask questions. They focus on being interested rather than trying to be interesting, as the saying goes. People who show this kind of initiative will find that it leads to important relationships – at work and outside of work. That's how people find mentors, and how they connect with leaders of the company.

Some people in business refer to the 80/20 rule, a variation of a concept called the Pareto Principle. It refers to the idea that 20 percent of the people in any company do 80 percent of the work. Now, think again about those one hundred people in an organization, all at the same rank. If twenty of them are going to be the work horses of the group, there will be an even smaller number who go beyond their assigned tasks, and take an interest in the people and the organization outside their job descriptions. They will stand out.

Show some passionate curiosity – it is a simple rule with an enormous payoff.

"If you give positive vibes, if you show an interest, by and large a lot of people will react," said Stephen I. Sadove, the CEO of Saks. "Not everybody, but people tend to react. When people show an interest in reaching out, I tend to react to them."

Chapter 2
BATTLE-HARDENED CONFIDENCE

Consider those one hundred employees again – all vice presidents at the same company. As their bosses size up this group, some qualities are easier to spot than others. Passionate curiosity? It's there for all to see. There's an energy, a buzz, from people who have it, and you can pick them out of a crowd.

Other qualities are tougher to discern, especially the ability to handle adversity. Everybody faces challenges of some kind or another in their life, but some people deal with adversity better than others. And then there are those who embrace it, who relish it, who want the tough assignment when the pressure is on. These people have plowed through tough circumstances, and they know what they're capable of handling. They have a track record of overcoming adversity, of failing and getting up off the mat to get the job done, no matter what. They have battle-hardened confidence.

The same is true for companies. Many CEOs say their corporate culture has been strengthened in painful periods when nothing seemed to be working, and the leadership had to pull everyone together to establish their core values and beliefs.

If there were some test to find out whether a person had this quality, it would be a huge moneymaker. But people, and companies, reveal how they deal with adversity only in the context of new challenges – when they are faced with potential or real failure and the status quo is not an option. The best predictor of behavior is past performance, and that's why so many CEOs interview job candidates about how they dealt with failure in the past. They want to know if somebody is the kind of person who takes ownership of challenges, or starts looking for excuses because there are too many factors beyond their control.

People can talk a good game in job interviews, but that talk can seem meaningless when someone is confronted with a difficult task and the moment of truth arrives. In such circumstances, some people fold.

"I think hiring great people remains extremely, extremely hard," said Jen-Hsun Huang of Nvidia. "The reason for that is this: It all comes down to how somebody deals with adversity. You can never really tell how somebody deals with adversity, whether it's adversity that's created by the environment or adversity that you're creating for them. As the CEO, as a leader, sometimes you have to put people in the hot seat – not because you want them to be in a hot seat, but because the hot seat needs to have somebody sitting on it. And so you need a great player on it. When you have a difficult situation and you need somebody to take it and run with it, some people just take it and make it happen. They feed on adversity. There are some people who, in the face of adversity, become more calm. When the world is falling apart, I actually think my heart rate goes down. I find that I think best when I'm under adversity. Some people see adversity and they just cower, as talented as they are. You could ask them about the adversity they had in the past, but you never really know the intensity of that adversity."

Many CEOs seem driven by a strong work ethic forged in adversity. Perhaps they started working at a young age and always had jobs as they grew up. Others worked because they had little choice, because they grew up in homes where money was tight. As they moved up in organizations, the responsibilities grew in scale, but the attitude remained the same – this is my job, and I'm going to take care of it, and own it. Because of that attitude, they are rewarded with more responsibilities, challenges, and promotions.

"I grew up dirt poor," said Carol Bartz, the CEO of Yahoo. "My mom died when I was eight, so my grandmother raised my brother and me. She had a great sense of humor, and she never really let things get to her. My favorite story is when we were on a farm in Wisconsin; I would have probably been thirteen. There was a snake up in the rafter of the machine shed. And we ran and said, 'Grandma, there's a snake.' And she came out and she knocked it down with a shovel, chopped its head off, and said, 'You could have done that.' And, you know, that's the tone she set. Just get it done. Just do it. Pick yourself up. Move on."

Nancy McKinstry, the CEO of Wolters Kluwer, the Dutch publishing and information company, also grew up in modest circumstances and learned to deal with the challenges of juggling schoolwork and jobs.

“I grew up without a lot of money,” McKinstry said. “My mother was a schoolteacher and my parents were divorced when I was fairly young. So I watched my mother support a family on a schoolteacher’s salary, which wasn’t very much back in those days, and I watched her persevere. What I learned from her is the value of education and that hard work can make a difference. Because we didn’t have a lot of money, I worked all the time. So when I was in college I worked two or three different jobs to fund my way through. So that ability to keep a lot of balls in the air and keep adapting to situations to try and make things happen every day was something that stuck with me.”

When she’s hiring, she looks for this quality in others. They don’t necessarily need to have grown up in a house hold where money was tight. She’s just looking for evidence that they handled difficult challenges.

“I like hiring people who have overcome adversity, because I believe I’ve seen in my own career that perseverance is really important,” McKinstry said. “And if you can overcome some obstacle and keep moving up the field, it’s tremendous. In any business you’re going to be confronted with challenges, and so how you overcome them becomes important to your ability to drive the results forward. So when I interview folks, I will ask them directly: ‘Give me an example of some adverse situation you faced, and what did you do about it, and what did you learn from it?’ The people I’ve hired who have had that ability to describe the situation have always worked out, because they’re able to sort of fall down, dust themselves off, and keep fighting the next day."

The CEOs' stories help bring to life a concept in psychology known as "locus of control." In general, it refers to a person's outlook and belief about what leads to success and failure in their life. Do they tend to blame failures on factors they cannot control, or do they believe they have the ability to shape events and circumstances by making the most of what they can control? In other words, do they make the most of what ever hand they are dealt? It's not just a sunny attitude. It's a positive attitude mixed with a sense of purpose and determination.

Ursula Burns of Xerox grew up poor on the Lower East Side of Manhattan, watching her mother struggle to raise her and her brother and sister, controlling what she could about their circumstances. Burns embodies this quality herself – making the most of those things she can control – and she wants her employees to embody them, too.

Burns's mother made ends meet by looking after other children. She also ironed shirts for a doctor who lived down the street and cleaned his office, bartering for things like medicine and even cleaning supplies. Burns's mother had many sayings – and she repeated them, often in blunt terms, over and over. "Where you are is not who you are," she would tell her children. "Don't act like you're from the gutter because you live in a place that's really close to the gutter."

She set firm expectations, Burns recalled. "She was very, very black-and-white and very clear about what responsibilities we had. One was that we had to be good people. And the second thing was that we had to be successful. And so her words for success were, 'You have to give'—and she would say this all the time—'more than you take away from the world.' "

Her mother, who died before she could see her daughter rise to the top at Xerox, also insisted that her children get a college education. "You have to worry about the things you can control," she would say. "Don't become a victim."

It was a theme that Burns herself touched on in a big meeting with Xerox employees not long after she took over as CEO. The lousy economy, the past boardroom dramas at Xerox – it was time to move on. She repeated one of her mother's sayings to a gathering of hundreds of sales reps: "Stuff happens to you, and then there's stuff that you happen to." Grammarians might take issue with the phrasing, but the message is clear. Don't let circumstances or potential excuses get the better of you. Stare them down, and make things happen.

Andrew Cosslett of InterContinental Hotels Group offered another example of how this quality is shared by people at the top. Cosslett had a rough childhood, and grew up living largely on his own from the time he was about sixteen. His schoolwork suffered as he focused more on rugby and other sports, and being "the boy about town," he said. He managed to scrape by in school through his teenage years, and grew more focused in his twenties.

Not long after he was named CEO, Cosslett was sitting with his top executives at an off-site meeting, and they went around the room, sharing stories about their backgrounds.

"It was a facilitated conversation as part of our time together, to try to understand what drove us, and our kind of purpose and meaning, what led us to be the people we are," Cosslett said. "What was extraordinary was that of the ten people in the room, nine of them had had very challenging teenage years, either with broken homes, family divorces, alcoholic parents, mothers getting beaten up, brothers or sisters dying. So 90 percent of the people in that room had something like that in their background. And I don't think that would be typical if you looked at the normal flow of society as a cross section. So there's something about what happened to them as kids that sort of pushed them on. And I think it's this thing about learning about your own strength that makes you mature more quickly and allows you to progress faster."

He elaborated on this quality, and discussed how he tries to learn in interviews whether a job candidate has it.

"You learn a lot very quickly about managing in difficult situations," he said. "One of the things that makes you see the world differently and forms you as an individual is if you've had to rely on your own wit and resources. If you've had a challenging upbringing, I think that's part of it. I think rugby is another one because there's no hiding place. It's a physical confrontation, and there's a moment of truth where you're going to be tested in a game. Everybody sees you, even though it's being done at high speed, and everybody knows whether you're the type to back down or stand up. It's never talked about, but everybody knows. And more than anything you know whether you're that type or the other type.

"If I'm recruiting people for very senior positions, I will delve quite extensively into their personal lives. I will look into how many times in their life they've been seriously tested emotionally, physically – where they've had to stand on their own feet and deal with something that they couldn't be prepared for. That could be in the business context. It could be in the family context, social context. And the ones who are the best, I've found, are the people who have had to confront something very difficult, and they're the people you can rely on when the going gets really tough because they've been there, and they know what they can do."

For some companies and organizations, this quality is so important that they build their hiring pro cess around it.

Every year, Teach for America sends its new recruits into often difficult school and classroom situations. The organization, founded in 1990 by Wendy Kopp, has learned how to screen for people who are likely to succeed in settings where the odds are stacked against them.

"We've done a lot of research to look at the personal characteristics that differentiate the people among our teachers who are the most successful," said Kopp. "And the most predictive trait is still demonstrated achievement. But then there are a set of personal characteristics, and the number one most predictive trait is perseverance, or what we would call internal locus of control. People who, in the context of a challenge – and you can't see it unless you're in the context of a challenge – have the instinct to figure out what they can control, and to own it, rather than to blame everyone else in the system. And you can see why in this case. Kids, kids' families, the system – there are so many people to blame. And yet you'll go into the schools and you'll see people teaching in the same hallway, some of whom have that mentality of 'it's not possible to succeed here,' and others who are just prevailing against it all. And it's so much about that mindset – the internal locus of control, and the instinct to stay optimistic in the face of a challenge."

Accenture, the giant consulting firm, has made a science of trying to assess whether candidates have this quality. William D. Green, the CEO of Accenture, said the company considers screening job candidates a core competency, and has developed a system called "critical behavior interviewing" to find the right people. Accenture gets roughly two million résumés a year, and hires between 40,000 and 60,000 people. If it hires well, that gives it a huge competitive advantage. Here's Green explaining Accenture's critical behavior interviewing pro cess:

"It's based on the premise that past behavior is the best indicator of future behavior. Essentially what we're looking for is, have you faced any adversity and what did you do about it? We also know the profile of successful Accenture people, and how do we learn from the people we have who have stayed, learned, grown, and become great leaders, and how do we push that back into the recruiting pro cess to find the best matches for Accenture?

"If you get down to it, it's what have you learned, what have you demonstrated, what behaviors do you have? Have you shown intuition? Have you shown the ability to synthesize and act? Have you shown the ability to step up and make a choice? How have you dealt with the hand in front of you, played it out?"

Green told a story of how one job candidate stood out from the crowd for him.

"I was recruiting at Babson College," he said. "This was in 1991. The last recruit of the day – I get this résumé. I get the blue sheet attached to it, which is the form I'm supposed to fill out with all this stuff. His résumé is very light – no clubs, no sports, no nothing. Babson, 3.2. Studied finance. Work experience: Sam's Diner, references on request. It's the last one of the day, and I've seen all these people come through strutting their stuff and they've got their portfolios and semester studying abroad. Here comes this guy. He sits. His name is Sam, and I say: 'Sam, let me just ask you. What else were you doing while you were here?' He says: 'Well, Sam's Diner. That's our family business, and I leave on Friday after classes, and I go and work till closing. I work all day Saturday till closing, and then I work Sunday until I close, and then I drive back to Babson.' I wrote, 'Hire him,' on the blue sheet. He's still with us, because he had character.

He faced a set of challenges. He figured out how to do both. It's work ethic. You could see the guy had charted a path for himself to make it work with the situation he had. He didn't ask for any help. He wasn't victimized by the thing. He just said, 'That's my dad's business, and I work there.' Confident. Proud.

"What critical behavior interviewing does," said Green, "is get at people's character, and you get to see where work fits in their value system, where pride fits in their value system, where making hard decisions or sacrificing fits in their value system. I mean, you sacrifice and you're a victim, or you sacrifice because it's the right thing to do and you have pride in it. Huge difference. Simple thing. Huge difference."

People don't have to climb Mount Everest or run the 135-mile Badwater Ultramarathon through Death Valley to develop battle-hardened confidence. Nor do they need to wish that they had faced more challenges growing up. Battle-hardened confidence starts with the right attitude. And attitude is the one thing that anyone can control, even if it seems like everything else is outside of their control. If you tackle challenges, building a track record of success, then battle-hardened confidence will follow.

A first step, though, requires developing a healthy relationship with failure. Many CEOs recognize that failure is part of success – particularly for people pursuing an ambitious goal – and they embrace failure and value it and learn from it. It can be a hard lesson to learn, particularly for teenagers shifting from high school, where they perhaps grew accustomed to acing exams, to college, and then into their careers.

John Donahoe, the CEO of eBay, said he learned from a mentor how to be more accepting of failure.

"A really valuable piece of advice early in my career was from a guy named Kent Thiry, who was another of my early bosses and is now CEO at DaVita," Donahoe said. "I didn't know it at the time, but I was suffering from a real fear of failure. Kent said, 'You know, John, your challenge is you're trying to bat.900.' And he said, 'When you were in college, you got a lot of A's. You could get 90, 95 percent right. When you took your first job as an analyst, you were really successful and felt like you were batting.900.'

"But he said, and this is probably five years into my career, 'Now you've moved from the minor leagues. You're playing in the major leagues, and if you expect to bat.900, either you come up at bat and freeze because you're so afraid of swinging and missing, or you're a little afraid to step into the batter's box. The best hitters in Major League Baseball, world class, they can strike out six times out of ten and still be the greatest hitters of all time.' That's my philosophy – the key is to get up in that batter's box and take a swing. And all you have to do is hit one single, a couple of doubles, and an occasional home run out of every ten at-bats, and you're going to be the best hitter or the best business leader around. You can't play in the major leagues without having a lot of failures."

Video games have been criticized in some quarters for creating slothful kids. But Jen-Hsun Huang of Nvidia said they taught him a valuable lesson about failure.

"I've never beaten myself up about mistakes," he said. "When I try something and it doesn't turn out, I go back and try it again, and maybe it's because I grew up in the video-game era. Most of the time when you're playing a game you're losing. You lose and lose and lose until you beat it. That's kind of how the game works, right? It's feedback. And then eventually you beat it. As it turns out, the most fun parts of that game are when you're losing. When you finally beat it there's a moment of euphoria, but then it's over. Maybe it's because I grew up in that generation and I have the ability to take chances, which leads to the ability to innovate and try new things. Those are important life lessons that came along."

Learning from failure, and recognizing failure quickly, is part of the culture at Nvidia, Huang said.

"This ability to celebrate failure needs to be an important part of any company that's in a rapidly changing world," he said. "And the second part of our core value is what we characterize as intellectual honesty – the ability to call a spade a spade, to recognize as quickly as possible that we've made a mistake, that we've gone the wrong way, and that we learn from it and quickly adjust. Now it came about because when Nvidia was first founded, we were the first company of our kind, but we rapidly almost went out of business. We built the technology and then it just didn't work. And so we did everything differently.

“It was during that time that I learned that it was okay for a CEO to say that the strategy didn’t work, that the technology didn’t work, that the product didn’t work, but we’re still going to be great and let me tell you why. I think that’s what’s thrilling about leadership. When you’re holding on to literally the worst possible hand on the planet and you know you’re still going to win. How are you still going to win? Because that’s when the character of the company really comes out. And it was during that time that we really cultivated and developed what I consider to be our core values today. I don’t think you can create culture and develop core values during great times. I think it’s when the company faces adversity of extraordinary proportions, when there’s no reason for the company to survive, when you’re looking at incredible odds – that’s when culture is developed; character is developed.

“And I think ‘culture’ is a big word for corporate character. It’s the personality of the company, and now the personality of our company simply says this: If we think something is really worthwhile to be done and we have a great idea, and it’s never been done before but we believe in it, it’s okay to take a chance. If it doesn’t work, learn from it, adjust, and keep failing forward. But every single time you’re making it better and better and better. Before you know it, you’re a great company.”

John T. Chambers, the CEO of Cisco, said that the adversity he faced both as a child and as a CEO were among the most important leadership lessons he had learned.

"People think of us as a product of our successes," Chambers said. "I'd actually argue that we're a product of the challenges we faced in life. And how we handled those challenges probably has more to do with what we accomplish in life. I had an issue with dyslexia before they understood what dyslexia was. One of my teachers, Mrs. Anderson, taught me to look at it like a curveball. The ball breaks the same way every time. Once you get used to it, you can handle it pretty well. So I went from almost being embarrassed reading in front of a class – you lose your place, and I read right to left – to the point where I knew I could overcome challenges. I think it also taught me sensitivity toward others.

"I learned another lesson from Jack Welch," he continued. "It was in 1998, and at that time we were one of the most valuable companies in the world. I said, 'Jack, what does it take to have a great company?' And he said, 'It takes major setbacks and overcoming those.' I hesitated for a minute, and I said, 'Well, we did that in '93 and then we did it again in '97 with the Asian financial crisis.' And he said, 'No, John. I mean a near-death experience.' I didn't understand exactly what he meant. Then, in 2001, we had a near-death experience. We went from the most valuable company in the world to a company where they questioned the leadership. And in 2003 he called me up and said, 'John, you now have a great company.' I said, 'Jack, it doesn't feel like it.' But he was right. While it was something I would have given anything to have avoided, it did make us a much better company, a much stronger company, a company that at times doesn't take itself too seriously but also a company that doesn't have fear. We have a lot of healthy paranoia about what can go wrong. So that's a nice way of saying that it's how you lead through tough scenarios that often determines where you go."

Quintin E. Primo III, the co-founder and CEO of Capri Capital, said his experience of surviving a near-death experience also taught him a lot about leadership.

"Leadership, in my opinion, is best learned, or honed, through adversity," he said. "And it's in times of adversity that one must step up to the plate, and do something. You have to do this, or do that, but you just can't stand still. You have to take action in adversity. And for me, probably the most poignant moment in my career as a leader was when my first business failed miserably. We were crushed by the real estate markets of the early '90s. Back then we were a very young, emerging organization with no real business. We entered into a death spiral, roughly two years after I started the firm in '88. And managing down, as the *Titanic* is sinking, you're not even worried about the deck chairs.

"It taught me a lot about who I was. It taught me a great deal about the folks I had selected to work with me on this sinking ship. It was a very frightening period for me, but what I've learned is that one must have faith, faith in something larger than yourself, or you truly will be sunk. Whether that faith is faith in the common good of man, whether it's in universal rhythm or karma, or whether it is simply in God, there has to be something larger than you.

“In that period of adversity for me, I discovered that my employees, as such, were really part of my family. And you will sacrifice, you will do extraordinary things to protect your family, and feed them, and clothe them. You will sacrifice greatly. And so, in this period of adversity, I had to move outside of me. It no longer was all about me, but about making sure that the hardship on those who worked with me was as modest, as low, as possible. It just shifted priorities. After graduating from Harvard Business School, and having success for eight golden years in real estate, I thought I was the next great thing since sliced bread. In abundance, it’s very easy to lose focus. But in adversity, one must have extreme focus.”

Anyone with a blemish on his résumé or academic record may be tempted to paper over it, or wish it away. That may not be necessary. Many CEOs, and others who have achieved a measure of success in their lives and are in hiring roles, have probably had some rough patches themselves. If candidates can explain what they’ve learned from those experiences, and how they dealt with them, they may find their résumé goes to the top of the pile.

Meridee A. Moore, the founder of Watershed Asset Management, a hedge fund, said that when she’s hiring she considers it a plus when she sees that candidates have suffered a dip in their academic performance at some point, then persevered to improve.

“If you’ve ever had a setback and come back from it, I think it helps you make better decisions,” she said. “There’s nothing better for sharpening your ability to predict outcomes than living through some period when things went wrong. You learn that events aren't in your control and no matter how smart you are, and how hard you work, you have to anticipate things that can go against you."

Understand what you can control. Don't be a victim. Figure out a way to get things done. It's a way of perceiving the world that will help you avoid the disappointment of failure, and stay in the right frame of mind for plowing through adversity. Challenges become learning experiences rather than disappointments. It's often just a matter of attitude that makes people stand out. They earn the confidence of their managers that they will take on, and own, any assignment thrown their way.

For bosses, a dream employee will eagerly accept a challenge, and say those words that are music to a manager's ears: "Got it. I'm on it." People who want more responsibility, with a confidence born of a track record of facing down challenges, will move up.

Chapter 3
TEAM SMARTS

At some point, the notion of being a team player became devalued in corporate life. Perhaps it was all the rah-rah team-building exercises, the jerseys, the T-shirts, the buttons. They may be good for bonding, but improving teamwork on the job? That takes more work than trust-building exercises like falling backwards into a colleague's arms. The notion of being a team player has been reduced to a truism – I work on a team, therefore I am a team player. It's a point captured in a cartoon, by Mike Baldwin, in which an interviewer says to a job candidate, "We need a dedicated team player. How are you at toiling in obscurity?"

The most effective executives are more than team players. They understand how teams work, the different roles of individual players, and how to get the most out of the group. They know how to create a sense of mission and how to make people feel like every-one's getting credit. They know how to build a sense of commitment in the group. Just as some people have street smarts – they are savvy and know their way around a neighborhood, and they understand the unwritten rules for getting things done – others have team smarts.

In a world in which work is increasingly done through collaboration, team smarts is an essential skill.

"With most of the important things I learned about leadership, it was usually because we weren't hitting our numbers," said Teresa A. Taylor, the chief operating officer of Qwest Communications. "When things are going well, you think, 'Oh good, everything we're doing is right.' When things aren't going so great, that's when you reflect and you say, 'What am I doing that isn't working, or what do I need to change?' It's very much on instinct and experience. Even the instinct is driven by watching people's body language, watching how they're presenting. I mean you can just ask an open-ended question, and if three people wiggle and one person doesn't, you can figure, okay, they're not working together. So I do spend a lot of time reading the room."

It starts with an understanding that teamwork is built on a foundation of one-to-one interactions between people, an unwritten contract that has nothing to do with business cards, organization charts, or titles. A big part of being team smart is appreciating that teamwork is developed by conveying a sense that you are looking out for a colleague, that you've got her back. It's these small exchanges – a favor here, an extra mile of effort there – that become the connective tissue between two people. And that's where team-work starts: with two people.

Greg Brenneman, the chairman of the private equity firm CCMP Capital, said that one of the most memorable lessons he learned about leadership was from the future Massachusetts governor and presidential candidate Mitt Romney, with whom Brenneman worked at Bain, the consulting firm, long before

Romney went into politics.

"He said, 'Greg, in any interaction, you either gain share or lose share. So treat every interaction as kind of a precious moment in time,' " Brenneman recalled. "And I've always remembered that, because I think it's really true. So what I've tried to do is have more conversations where I'm gaining share than losing share, to try to add value to everything."

Gary E. McCullough, the CEO of Career Education Corporation, shared a story that helps bring Brenneman's rule to life. It involved a woman named Rosemary, whom he came to know when he was working at Procter & Gamble. She operated the coffee cart that came around each morning, but McCullough came to appreciate her keen sense of people, and her insights about whether they understood the basics of teamwork.

"Rosemary had an uncanny ability to discern who was going to make it and who wasn't going to make it," McCullough said. "And I remember, when I was probably almost a year into the organization, she told me I was going to be okay. But she also told me some of my classmates who were with the company weren't going to make it. And she was more accurate than the HR organization was. When I talked to her, I said, 'How'd you know?' She could tell just by the way they treated people. In her mind, everybody was going to drop the ball at some point. And then she said, 'You know you're going to drop the ball, and I see that you're good with people and people like you and you treat them right. They're going to pick up the ball for you, and they're going to run and they're going to score a touchdown for you. But if they don't like you, they're going to let that ball lie there and you're going to get in trouble.' Again, I think it's those intangible things."

Being team smart begins with the foundation of learning to work with another person. The next step is to understand team dynamics, and the role that individuals play on each team. Many CEOs have learned these lessons through sports.

Mark Pincus, the CEO of Zynga, the online gaming company, said his experience playing soccer on his school team was a formative leadership lesson.

"We were on the same team together, most of us, for eight or nine years, and we were at a really little school in Chicago that had no chance of really fielding any great athletes," he said. "But we ended up doing really well as a team, and we made it to the state quarterfinals, and it was all because of teamwork. And the one thing I learned from that was that I actually could tell what someone would be like in business, based on how they played on the soccer field. So even today when I play in Sunday-morning soccer games, I can literally spot the people who'd probably be good managers and good people to hire."

He explained the qualities he looked for on the soccer field:

"One is reliability, the sense that they're not going to let the team down, that they're going to hold up their end of the bargain. And in soccer, especially if you play seven on seven, it's more about whether you have seven guys or women who can pull their own weight rather than whether you have any stars. So I'd rather be on a team that has no bad people than a team with stars. There are certain people you just know are not going to make a mistake, even if the other guy's faster than they are, or what ever. They're just reliable.

"And are you a playmaker? There are people who don't want to screw up, and so they just pass the ball right away. Then there are the ones who have this kind of intelligence, and they can make these great plays. These people seem to have high emotional intelligence. It's not that they're star players, but they have decent skills, and they will get you the ball and then be where you'd expect to put it back to them. It's like their heads are really in the game."

Andrew Cosslett of InterContinental Hotels Group also learned about team dynamics from sports – in his case, rugby.

"Everyone's different, so you have to know people," Cosslett said. "I think having a sense of self-awareness is very important, like how you impact each of the people you're with differently. The whole thing about staying alive on a rugby field is about reliance on the guys around you. Each one of those people on a rugby team responds differently because it's physically dangerous as a game. It has a tension in the changing room before you go out to play that's not like any other sport, and I've played lots, because it is almost like going into battle. There's a chance you're going to break your neck or have a very bad injury.

"You need to jell with them as a team, but each one responds individually. So it's about seeing the world on their terms and then dealing with them on their terms, not yours. I think you're born with some of this as well. I'm very sensitive to how people are thinking and feeling at any given moment. That's really helpful in business, because you pick things up very fast."

Part of team building is understanding the roles that different personalities play in a group. For example, Will Wright, the video-game developer behind best-sellers like Spore and The Sims, sees people either as potential "glue" or "solvent" in a team setting when he is considering hiring someone.

"There is the matter of how good is this person, times their teamwork factor," Wright said. "You can have a great person who doesn't really work well on the team, and they're a net loss. You can have somebody who is not that great, but they are really very good glue, so that could be a net gain. A lot of team members I consider glue within the team in that they disseminate things effectively, they motivate and improve the morale of people around them. They basically bring the team tighter and tighter. Others are solvents, and it's their kind of personal nature that they might be disagreeable. They rub people the wrong way. They're always caught in conflicts. For the most part, that is at least as important as their competence in their roles."

Team smarts is about having good peripheral vision for sensing how people react to one another, not just how they act. George S. Barrett, the CEO of Cardinal Health, described an example of how he assessed different managers when he moved into a new role.

"I was running a company that was acquired by a bigger firm," he said. "I stayed with them after the acquisition, and then I got a call from the chairman and he said, 'We're having some issues with our flagship company. Would you be willing to come in and run it?' I was thirty-four years old, and I said to myself, 'Well, it's already struggling. How badly could I mess it up?' So I went there. Everyone on the management team was in their fifties, so the first day I was introduced to them, I thought they were going to collapse. You could sort of see them thinking, 'That kid?'

"I realized I was going to have to win these guys over pretty quickly. I also knew that there were some folks in that group who were probably not going to come along for the ride. It was a turnaround, so I knew that I was going to have to move quickly to fix some things. I was very clear and direct about what I thought we were facing and what we needed to do about it, without blame. I had to create an environment in which people knew it was their job to tell me things that we needed to do because we were going to run out of time. I tend to be very direct. I expect people to be that way with me.

"I concluded fairly quickly that not many of them would be staying. There were some very capable people there, but I just think the employees had lost confidence in them. That's very hard to recover, because so much of leadership is about trust and belief. People have to believe in you. And when they stop believing in you, you can say all the things in the world, but it's very, very hard to mobilize an organization when they've lost that belief."

Barrett said that watching the managers, and watching the organization respond to them, helped him figure out who was going to remain on the team.

"I'll give you an example," he said. "We're sitting with a large group of folks, about forty to fifty managers, and people are standing up to raise certain issues. And I watched this one executive. People were watching and riveted to him, really listening and engaged. And then this other executive spoke, and I watched him address the group, and I watched everyone's eyes. And their eyes went back down to their tables. They couldn't even meet eyes with him. It was a clear signal that said, 'You've lost us.' So sometimes you don't know what the messages are that you're going to get, but you have to look for them. They come from your peripheral vision. And that was one of those cases where I just knew it the second it happened."

How do CEOs build a sense of teamwork, and not just team spirit? Mark Pincus of Zynga used an unusual strategy at one company to encourage each employee to understand his or her individual role better, and to take responsibility for it. He decided to take a more dramatic step after he grew frustrated that too many of his employees were coming to him for answers.

"I'd turn people into CEOs," he said. "One thing I did at my second company was to put white sticky sheets on the wall, and I put everyone's name on one of the sheets, and I said, 'By the end of the week, everybody needs to write what you're CEO of, and it needs to be something really meaningful.' And that way, everyone knows who's CEO of what and they know whom to ask instead of me. And it was really effective. People liked it. And there was nowhere to hide.

"We had this really motivated, smart receptionist. She was young. We kept outgrowing our phone systems, and she kept coming back and saying, 'Mark, we've got to buy a whole new phone system.' And I said, 'I don't want to hear about it. Just buy it. Go figure it out.' She spent a week or two meeting every vendor and figuring it out. She was so motivated by that. I think that was a big lesson for me because what I realized was that if you give people really big jobs to the point that they're scared, they have way more fun and they improve their game much faster. She ended up running our whole office."

Nell Minow of The Corporate Library said her best lesson for building a sense of teamwork is to organize a group around a simple word: *we.*

"The first time I ever really thought of myself as a leader was when I had a series of experiences in college, over a period of about eighteen months, working on four different group projects," Minow said. "What I learned from that is if you can get everyone to agree what the goal is, and to identify themselves with the successful achievement of that goal, then you're pretty much there. One thing that helped move my thinking forward was that I noticed in my first job that there was something very definitional in who was included in somebody's 'we' and who was included in somebody's 'them.' I found generally that the more expansive the assumptions were within somebody's idea of who 'we' is – the larger the group you include in that 'we'—the better off everybody was. I started to really do my best to make sure that my notion of 'we' was very expansive and to promote that idea among other people."

Another key strategy for building a sense of teamwork is learning to share credit.

"I was a mechanic in the Navy," said Gordon Bethune, the former CEO of Continental Airlines. "And mechanics in the Navy are like mechanics in airlines. You may have more stripes than I do, but you don't know how to fix the airplane. You want me to fix it? You know how much faster I could fix the airplane when I wanted to, than when I didn't want to? So I've always felt that if you treat me with respect, I'll do more for you. As I went up the ladder in the Navy, I never forgot what it's like to be down the ladder, and that being good at your job is predicated pretty much on how the people working for you feel. Here's my theory: Let's say we're all mid-level managers, and one VP slot is going to open up. I've got ten guys working for me, and for the last five years, every time I got any recognition, I said, 'Bring them on the stage with me.' Who do you think is going to get the job? I'm going to get the job."

Teamwork can be built by being explicit about the roles people play, and insisting on rules and routines. Jilly Stephens, the executive director of City Harvest, a nonprofit organization that helps feed the hungry in New York, learned this lesson when she had a leadership position in her twenties at Orbis International, where she had responsibility for coordinating the medical teams aboard a "hospital with wings"—a plane that flew around to developing countries to perform eye surgeries.

"It was a lot of responsibility, and I guess it was a sort of sink-or-swim moment," she said. "I had to lead that group, and it was complicated by the fact that it was multinational, so at its peak I think I was dealing with eleven or twelve nationalities. We were probably about thirty to thirty-five people. It was constantly focusing on teamwork. The way we did it was just being really rigorous about routine and, in some ways, not that flexible, so people really knew what the ground rules were. One example – and it seems so matronly now that I look back on it – was that the team had to be in the lobby at the hotel, ready to go to work, at whatever the designated time was. If they weren't there, the bus leaves. You get to the airport yourself. If we were in Tunisia, that meant finding a bike and cycling across the desert to get to the airport. When I first got to the field, you would have the nurses, engineers, whoever, waiting, and you would maybe have one who just couldn't drag himself out of bed and everybody's waiting. We saw behaviors change fairly rapidly. So we had a fairly tight routine, and we made announcements every morning. It was just important to let everybody know what was coming."

Sharon Napier, the CEO of the advertising agency Partners

+ Napier, played basketball in high school and college, and she uses sports analogies constantly with her staff to drive home messages, including the notion that people have roles to play, that the team's success is what matters most.

"I went from playing high school basketball to college basketball," she said. "You can be a star in high school, and you can be the ninth player in college. It's just the way it is. So I always talk about understanding the bench strength. First of all, every player has a role. Know what it is. If you're the seventh player who's supposed to go in and get five rebounds because we need them, that's your role. So I talk about that a lot – we don't have the starting team and the not-starting team. We have a bench, and everybody has to be strong. They come in and they bring different things to the table. And you learn that by playing. You learn that if you're not worried about your own success, and you're worried about the success of the team, you go a lot further."

Perhaps one of the simplest ways to think about teamwork is to forget or organization al charts and titles. Companies increasingly operate through ad hoc teams, formed and disbanded to accomplish various tasks. Team smarts refers to this ability to recognize the type of players the team needs, and how to bring them together around a common goal. Susan Lyne, the CEO of Gilt Groupe, said the ultimate test of team smarts today is being able to bring together a group of people, including those who don't report directly to you. Lyne described how she grew to appreciate team players, and what they can and should bring to the table.

"I think that now I have a very strong antenna for someone who is going to be poison within a company," she said. "I think that early on, I was wowed by talent, and I was willing to set aside the idea that this person might not be a team player. Now, somebody needs to be able to work with people – that's number one on the list. I need people who are going to be able to build a team, manage a team, recruit well, and work well with their peers. And that's another thing you learn over time. Somebody may be a great manager of a team, but incapable of working across the company to get things done because they're competitive, or because of any number of reasons. Can they manage down? Can they work across the company and get people to want to work with them and to help them succeed? And are they going to keep you well informed of everything that's going on?"

Lyne said this skill is so crucial today that business schools should be teaching it in more courses.

"There are a lot of great courses on managing or developing a strategic agenda, but there is very little about how to work with your peers where you need to get X done, and you need these other three departments to give you X amount of time in order to succeed at that. The people who truly succeed in business are the ones who actually have figured out how to mobilize people who are not their direct reports. Everyone can get their direct reports to work for them, but getting people who do not have to give you their time to engage and to support you and to want you to succeed is something that is sorely missing from B-school courses."

Chapter 4
A SIMPLE MINDSET

Here's a hypothetical test that can speed the process of identifying who has what it takes to move up in an organization.

Imagine giving one hundred vice presidents the same task: take a month to search out a new business opportunity for their company, and then present the idea to a group of senior executives during a weekend off-site meeting. The month passes, they have their ideas, and the day arrives to start their presentations.

The ideas are all pretty good, but the presentations vary enormously in length. One by one, the young vice presidents come in. Some want to take forty-five minutes, using a thirty-slide Power-Point deck to pitch their idea. Other presentations are shorter, with only ten slides. Still others have three slides or even two, and they're done in five minutes or less. One person doesn't use Power-Point at all. She simply talks, giving a short pitch for her idea, backed up with three key facts.

The executives are impressed by how concise she was, the simplicity of the idea, and that she respected their time. Later, she gets a call. The executives want to sign her up for the company's leadership development program for high-potential employees.

There is a stubborn disconnect in many companies. By all accounts, CEOs – and most senior executives – want the same thing from people who present to them: be concise, be brief, get to the point, make it simple. Business is not always as complicated as it sometimes appears to be, nor should it be.

"I've tried to do less of the things that make business more complex," said Eduardo Castro-Wright, a vice chairman at Wal-Mart Stores. "I really like simplicity. At the end of the day, retailing – though you could apply this to many other businesses – is not as complicated as we would like to make it. It is pretty logical and simple, if you think about the way that you yourself would act, or do act, as a customer."

Yet few people can deliver the simplicity that many bosses want. Instead, they mistakenly assume the bosses will be impressed by a long PowerPoint presentation that shows how diligently they researched a topic, or that they will win over their superiors by talking more, not less.

Few things seem to get CEOs riled up more than lengthy PowerPoint presentations. It's not the software they dislike – it's just a tool, after all. What irks them is the unfocused thinking that leads to an overlong slide presentation. There is wide agreement it's a problem—"Death by PowerPoint" has become a cliché.

If so many executives in positions of authority are clear about what they want, why can't they get the people who report to them to lose the "Power" part of their presentations and simply get to the "Point"?

There are a few likely explanations. The first is that a lot of people have trouble being concise. Next time you're in a meeting, ask somebody to give you the ten-word summary of his or her idea. Some people can do a quick bit of mental jujitsu, and they'll summarize an idea with a "Here's what's important. " or "The bottom line is. " Even if they take twenty-five words, they at least understand what's being asked of them.

Others will pause for a moment and then launch into a lengthy discussion of the idea, because they have trouble identifying the core point. Granted, it's not easy – a point that's been captured in many sayings through the ages. "Simplicity is the ultimate sophistication," said Leonardo da Vinci. And in words attributed to Mark Twain (and many others), "I didn't have time to write a short letter, so I wrote a long one instead."

Another possible explanation is that a lag exists in the business world. There was a time when simply having certain information was a competitive advantage. Now, in the Internet era, with oceans of data available to all with just a few clicks of a mouse and keyboard, others can get easy access to the same information. That puts a greater premium on the ability to synthesize, to connect dots in new ways, and to ask the simple, smart question that leads to an untapped opportunity.

"I'd love to teach a course called 'The Idea,' " said Dany Levy, the founder of DailyCandy.com. "Which is basically, so you want to start a company, how's it going to work? Let's figure it out – just a very practical plan, but not a business plan, because I feel like business plans now feel weighty and outdated. It seems, back in the day, that the longer your business plan was, the more promising it was going to be. And now, the shorter your business plan is, the more succinct and to the point it is, the better. You want people to get why your business is going to work pretty quickly."

"Schools could do a better job teaching the value of brevity," said Guy Kawasaki, the co-founder of Alltop, a news aggregation site, and managing director of Garage Technology Ventures.

"What you learn in school is the opposite of what happens in the real world," he said. "In school, you're always worried about minimums. You have to reach twenty pages or have so many slides or what ever. Then you get out in the real world and you think, 'I have to have a minimum of twenty pages and fifty slides.' They should teach students how to communicate in five-sentence e-mails and with ten-slide PowerPoint presentations. If they just taught every student that, American business would be much better off. No one wants to read *War and Peace* e-mails. Who has the time? Ditto with sixty PowerPoint slides for a one-hour meeting."

Steven A. Ballmer, the CEO of Microsoft, said he understands the impulse to share all the underlying research that led to a conclusion. But he changed the way he runs meetings to get to the conclusion first.

"The mode of Microsoft meetings used to be: You come with something we haven't seen in a slide deck or presentation. You deliver the presentation. You probably take what I will call 'the long and winding road.' You take the listener through your path of discovery and exploration, and you arrive at a conclusion. That's kind of the way I used to like to do it, and the way Bill Gates used to kind of like to do it. And it seemed like the best way to do it, because if you went to the conclusion first, you'd get: 'What about this? Have you thought about this?' So people naturally tried to tell you all the things that supported the decision, and then tell you the decision.

"I decided that's not what I want to do anymore. I don't think it's productive. I don't think it's efficient. I get impatient. So most meetings nowadays, you send me the materials and I read them in advance. And I can come in and say: 'I've got the following four questions. Please don't present the deck.' That lets us go, whether they've organized it that way or not, to the recommendation. And if I have questions about the long and winding road and the data and the supporting evidence, I can ask them. But it gives us greater focus."

Some CEOs put strict limits on PowerPoint slides. The rule, of course, is a way to force people to put in the time and energy to sort out what's truly important and what's extraneous. Sometimes this work is most effectively done away from a computer. A blank piece of paper. A pencil. These are the only tools that really matter for what is often the most difficult step: thinking.

"I say, 'Three slides, three points,' " said James Schiro of Zurich Financial Ser vices. "You really can't manage more than three or four things at the most, but I like to see it in three slides.

I hate Power-Point presentations. If you're working in an area, and you are running a business, you ought to be able to stand up there and tell me about your business without referring to a big slide deck. When you are speaking, people should focus on you and focus on the message. They can't walk away remembering a whole bunch of different things, so you have to have three or four really key messages that you take them through, and you remind them of what's important."

Simplifying the complex is the CEO's job, and CEOs do it all day long. They are paid to create order out of chaos, to identify the three or five things employees need to focus on rather than twenty things that will send people off in different directions. They want to avoid the corporate equivalent of that expression frequently heard on the golf course – paralysis by analysis.

"Even before I go into a company," said Greg Brenneman of CCMP Capital, "or even if we're looking at a business here at CCMP, I'm constantly asking the question, 'What are the two or three levers that, if done right, if pulled correctly, will really turn this business?' Then I take that and put it into a one-page plan. If I can't simply put what needs to be done on one page, I probably haven't thought it through very well. I learned back in the days when I was consulting at Bain & Company – and before that when I was at Harvard Business School doing case studies – that they give you more information than you could possibly read. So you needed to quickly step back and say, 'What are the two or three things that really matter?' And I find in the world that people don't really do that often. They just dive into all this detail and start using acronyms and buzzwords and they don't step back. When one of our guys is presenting an investment, you always kind of know they have it if they can explain it very quickly. And if it takes a really long time and you're into the square root of the price of oil in Uzbekistan, you probably know that it's gotten too complicated, and that's when I start asking questions – when people start having trouble simply saying, 'Here's the idea.' "

William Green of Accenture offers a telling example of the art of simplification. He shared the story of how he once sat through a three-day training session for new managers. He said he counted sixty-eight things that the managers were told they needed to do to be successful—"everything from how you coach and mentor to your annual reviews, filling out these forms, all this stuff.

"And I got up to close the session, and I'm thinking about how it isn't possible for these people to remember all this. So I said there are three things that matter. The first is competence – just being good at what you do, what ever it is, and focusing on the job you have, not on the job you think you want to have. The second one is confidence. People want to know what you think. So you have to have enough desirable self-confidence to articulate a point of view. The third thing is caring. Nothing today is about one individual. This is all about the team, and in the end, this is about giving a damn about your customers, your company, the people around you, and recognizing that the people around you are the ones who make you look good. When young people are looking for clarity – this is a huge, complex global company, and they wonder how to navigate their way through it – I just tell them that."

Tachi Yamada, the president of the Bill and Melinda Gates Foundation's Global Health Program, said that this ability to spot the key levers in any project or plan is vital for executives as they get further away from doing the work itself, and more into a management role where they must delegate. Yamada advocates for an alternative approach to micromanagement: what he calls "micro-interest." A prerequisite for that is being able to quickly figure out the two or three things that matter in any project.

"I think the most difficult transition for anybody from being a worker bee to a manager is this issue of delegation," he said. "What do you give up? How can you have the team do what you would do yourself without your doing it? If you're a true micromanager and you basically stand over everybody and guide their hands to do everything, you don't have enough hours in the day to do what the whole team needs to do.

"Learning how to delegate, learning how to let go and still make sure that everything happened, was a very important lesson in my first role in management. And that's where I learned a principle that I apply today – I don't micromanage, but I have micro-interest. I do know the details. I do care about the details. I feel like I have intimate knowledge of what's going on, but I don't tell people what to do. Every day I read about a thousand pages of documents, whether grants or letters or scientific articles, or what ever. I have learned what the critical things to read are. If there are ten tasks in an overall project, what is the most critical task among those ten? What is the one thing that everything else hinges on? And what I'll do is I'll spend a lot of time understanding that one thing. Then, when the problem occurs, it usually occurs there, and I can be on top of what the problem is. It's just having enough experience to understand when problems do occur and how they occur, why they occur, and being prepared for that particular problem. Problems can occur in the other ten areas, but they won't determine the outcome of the overall project. But there may be one or two points where the outcome of the entire project is at stake, and you'd better be on top of it."

Meridee Moore of Watershed Asset Management looks for that ability to simplify when she's assessing job candidates.

"We give people a two-hour test," she said. "We try to simulate a real office experience by giving them an investment idea and the raw material, the annual report, some documents, and then we tell them where the securities prices are. We say, 'Here's a calculator, a pencil, and a sandwich. We'll be back in two hours.' If an analyst comes in there and just attacks the project with relish, that's a good sign. After two hours, two of us go in and just let the person talk about what he's done. The nice thing about my being trained as a lawyer, and never going to business school, is that I'm able to ask the basic financially naïve questions, like: 'What does the company do? How do they make money? Who are their customers? What do they make? How do they produce it?' That throws some people off.

"Often, analysts go right to the financials and forget to think about the company's business model. If the person avoids answering the basic questions and instead changes the subject to talk about the work they did, that tells me the person is a bit rigid. Instead of trying to respond to what's being asked, they're trying to get an A on the test. Also, if they're a little too worried about pleasing me, that's not good, either, because it's not a please-the-boss competition. The point of the exercise is to make sure that we've thought about the issues critically, so we are in a position to make a good investment decision. The other quality we look for is whether the person can distill a lot of very complicated information down to its essence. Can you figure out the three or four issues that are most important for understanding this investment? Or do you get distracted by aspects of the company that really have nothing to do with making an investment or determining value?"

Конец ознакомительного фрагмента.