

Board & Executive Briefings: “3C” Leadership Evaluations

A director’s most important job is selecting the few people who lead their organization. The rewards of wise choices are enormous; fixing failures is protracted and painful.

Do those awarded the title of “leader” have the courage, compassion and curiosity to inspire everyone to give their all?

BOARD BRIEFING ON “3C” LEADERSHIP

Why are briefings on “3C” leadership needed?

A director’s most important job is hiring the leaders of their organization. The rewards of a wise choice are immense; failure is painful and protracted.

These executives must not only carry out the directors’ vision, but also provide independent ideas and initiative in complexity as well as crisis. Related director duties are:

- Hiring or promoting a CEO or other executive
- Selecting board or committee chairs
- Approving board candidates
- Evaluating board and executive performance
- Creating or approving a succession plan

This briefing is a practical way to evaluate leadership. It weeds out common points of confusion and elaborates and illustrates the characteristics and complexities of leadership.

Key ideas

The first key idea is that leadership depends primarily on three personal characteristics: courage, compassion and curiosity. If someone has these traits, they will develop or supplement the management skills and industry knowledge they need (see back page).

The second key idea is that a leader is possessed by a big idea: a product, a problem, a cause. An organization without a leader is a ship without a rudder, but an organization without a cause is a ship without a propeller. The form on page 10 might help readers organize their thoughts.

Common points of confusion

The concept of leadership is famously elusive. Here are other clarifying ideas:

Not managers: A manager is someone who helps a group work together, but while they might “lead” by motivating others and have the *potential* to be a leader, they are not leaders until they have success in the top job.

We must not dilute the idea of leadership by thinking anyone else carries the same weight as the top person, who is responsible for everything. The CFO hasn’t nearly the burden as the CEO.

Not style: The three essential characteristics of leaders are not to be confused by their style: charismatic and informal, or quiet and reserved. We will later see that leaders Ruth, Tom and Jeff have different styles, but the same qualities.

Not the ego-centric: Hungry for power or money, these people can be charming but are always dangerous to the organization. Even though one can gain temporarily from a bully’s energy, the organization suffers when they leave. Bullies aren’t compassionate, and people want to be led, not ruled.

True leaders have three characteristics in abundance: *courage, compassion and curiosity*. We will now bring these characteristics to life by example and elaboration.

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Courage: Ruth’s story

Courage is rightly esteemed the first of human qualities... because it is the quality which guarantees all others. – Churchill



Ruth Schmidt is the Executive Director of the Wisconsin Early Childhood Association.

In 2010, Ruth made the brave decision to form a consortium to pursue and, then having won it, take on the administration and operation of YoungStar, Wisconsin’s huge program for assuring and improving the quality of the state’s child care programs. This decision meant rapidly expanding the size of the organization with many administrative complexities as well as facing the threats to reputation such a massive, public undertaking entails.

It was at times rocky, but Ruth and the managers and staff at WECA have been sustained by the success of the idea of nurturing the promise of children from infancy to five years old.

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Courage

Definition: There is physical, intellectual and moral courage, and leadership can demand all three. It takes courage to stand up to bullies. It takes courage to be honest with oneself, to admit one’s mistakes and to study one’s faults. It takes courage to see what one does not wish to see. To quote Churchill again: “You must look at the facts because they look at you.” Do the “leaders” you know actively seek out the truth?

Risks: Courage in leadership means decisiveness, taking wise risks and resolving problems and conflict quickly. It does not mean being a daredevil, but it does mean having the will to be daring. It means having the courage to wait, to do nothing, to say “no.” Faith is a kind of courage, and a good leader has faith, perhaps in God, perhaps only in their own abilities. Isak Dinesen tied these neatly: “Pride is faith in the idea God had when He made us.”

Crisis: Sometimes a courageous decision follows many months of careful analysis, consultation and testing. But in a crisis, a brave decision has to be made in an instant, tapping the same pool of courage from a different well.

Common acts of courage

- Committing to a definite plan
- Launching a new venture
- Building a building
- Dismissing or disciplining staff
- Taking a controversial position

Questions to ask

- What was the hardest decision you’ve made?
- What are the biggest risks we face?
- What facts are most important to you?
- What are the toughest problems in our world?
- Where do you go for moral support?
- What frightens you?

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Compassion: Tom’s story

With malice toward none, with charity for all, with firmness in the right as God gives us to see the right, let us strive on to finish the work we are in, to bind up the nation's wounds... - Lincoln



Tom Oakley is a professional CEO and entrepreneur and recently CEO of ChanTest, a pharmaceutical research company in Cleveland.

The author has known Tom for twelve years, and has never seen him condescend or exert his power over anyone. He does not see people as boxes in an organization chart, but instead as fellow human beings with fears and shortcomings—and surprising potential waiting to be tapped. He is never aloof, never exclusive, always fair, always patient. Tom is often called upon to make big changes by a company’s owners, but does not reflexively strip the company for short-term cash flow. He takes responsibility for his decisions, but refuses to promote himself.

He is smart and decisive; Tom’s passion is building companies that create value for both investors *and* its employees—and the families that depend on them.

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Compassion

Definition: Compassion and unselfish service should be the heart of the organization’s great cause. A compassionate person applies the Golden Rule not only in what they do, but in what they make. They never categorize people in some self-serving system. Compassion is rarely dramatic, but it is the force that builds lasting trust and loyalty. Compassionate people put others first; we trust them to be forgiving and fair. They value courtesy. They listen thoughtfully, which we can see in their faces.

Power: True leaders apply their power to the smallest degree and always in the service of their cause. They often have distaste for their own title.

Common acts of compassion:

- Resolving conflicts quickly
- Disciplining an employee or partner
- Creating rules and policies
- Establishing fair compensation
- Providing individuals good chances to grow
- Promoting the organization’s noble purpose

Questions to ask

- When were you proudest of our organization?
- Do our products help people in the long run?
- Why are you passionate about our work?
- What ethical issues have risen in your work?
- Describe the emotional side of your work.
- Who are your heroes and why?

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Curiosity: Jeff’s story

We choose to go to the moon in this decade, not because it is easy, but because it is hard, because that goal will serve to organize and measure the best of our energies and skills, because that challenge is one that we are willing to accept, one we are unwilling to postpone, and one which we intend to win...- John F. Kennedy



Jeff Jaeckle is President of Jaeckle Distributors, a third-generation family business wholesaling flooring materials in the Midwest.

The author first met Jeff when he was deciding to build a new central distribution facility and realizing that decision meant having to close two other locations. This tough decision required an analytical mind and curiosity about all the decision’s implications.

But recently, as Jeff created and communicated a post-recession business plan, Jeff (whose hobby is writing short stories) demonstrated his creativity in a series of witty videos to communicate goals for inventory, service quality and cost management. Simple, clever and inexpensive—and everyone watched them over and over.

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Curiosity

Definition: Curiosity is creativity, and leaders are generalists with limitless curiosity about how things connect and a restless impulse to connect them. Leaders are innovative, though some as inventors of products, others of systems, others in pure ideas. Leaders know successful solutions and innovations come from the clash of perspectives and from smart experiments; they are tinkerers. They see how things connect backward and forward in time; for this we call them visionary. Leo Burnett said, “Curiosity about life in all of its aspects, I think, is still the secret of great creative people.”

Curiosity is intelligence. Formal education is a poor indicator of either inventiveness or common sense; each leader is their own mix of reason and intuition. These traits are hard to see, but we can see the results: new opportunities for everyone.

Communications. A leader’s curiosity, creativity and intelligence are revealed in their communications and leadership style. Clever communication is an essential skill of a leader: how else can they set their ideas into motion?

Common acts of curious, creative people

- Solving problems of widely different types
- Finding unforeseen opportunities
- Forecasting and prediction
- Negotiating lasting relationships
- Developing new products or systems

Questions to ask

- What do you read? To whom do you listen?
- Do you have any hobbies?
- What opportunities are on our horizon?
- What would you study if you had the time?
- What information is essential to our future?

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Synthesis

Secretary of State James Baker III said, “A leader is someone who know what to do—and does it.” Intellectuals hypothesize, managers organize, but only true leaders do both.

Common, yet important acts of leadership, such as planning, reprimand or approving large projects, require a combination of courage, compassion and curiosity.

Leadership in a crisis. The three characteristics are compressed and concentrated in a crisis. When Malden Mills (manufacturers of Polartec) burned in 1995, owner and CEO Aaron Feuerstein unselfishly and immediately guaranteed everyone’s jobs while the plant was rebuilt. Though creditors took Malden Mills, the business continues today. Mr. Feuerstein sacrificed his interests for others.

Perfection is impossible: If we create an impossible standard, we are sure to fail. Every leader has faults and makes mistakes. Who doesn’t? Fear of disappointment makes us quick to criticize, but we must be realistic: big decisions always bring some negative consequences.

False fronts. Courage, compassion and curiosity can be mistaken for darker things: thoughtfulness can be seen as indecision; self-confidence confused with egotism. Patience can look like passivity, motivation like manipulation. The restlessness of a good leader can seem like raw ambition or insensitivity. We must avoid quick judgments.

Ignore scale: The scale of accomplishment isn’t an accurate measure of leadership. It is no small thing for a leader to provide even a few people meaningful work or new knowledge. True leaders, wherever we find them, inspire us to do big things and to be courageous, caring, contributing human beings.

Envy and fear. Envy can tempt us to criticize a leader’s character. But great leaders are often simply more intelligent, brave or thoughtful than we are. They see things we don’t (this is why they cannot lead by consensus). Instead, all our opportunities are greater if we accept leaders with exceptional strengths.

We naturally fear power. We want neither to be abused nor disappointed. Even after years of strong leadership, we worry: Will the leader fall short when the next crisis comes? Will they fail to grasp the next opportunity?

Tests, rewards, responsibilities

Leadership is tested when the big decisions are made or when the crisis comes: to whom does everyone turn? Is it the person with the title—or someone else? Or is there no one?

People lead by *being* the example. If the leader has courage, compassion and curiosity—and are driven by a great cause—your organization will prosper for years.

The great reward of leadership, for the leader and for all those who work with them, is the lasting pride of working well with others in a noble cause.

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Leader evaluation

date _____

Leader name _____

Your name _____

Organization _____

Stories about their courage (decisiveness, self-reflection, daring)

Examples of their compassion (thoughtfulness, kindness, guidance)

When they showed curiosity (innovation, insight, intelligence)

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Established in 1990, we are independent advisors providing Question-Based Business Planning and Board-Level Project Planning to clients in many industries. For more information, briefings or articles please contact Derrick Van Mell: (608) 260-9300 or derrick@vanmell.com.

We have learned that working with “3C” leaders—men and women of courage, compassion and curiosity—is profitable in every sense. These are the kinds of leaders for whom we want to work.

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LEADERSHIP KNOWLEDGE & SKILLS CHECKLIST

Knowledge

Market and industry knowledge

- Competitors
- Regulations
- Customer behavior
- Technology
- Macroeconomics

Management knowledge*

- Business structure
- Marketing and sales
- Operations
- Information
- Human resources
- Finance

Skills

Analysis and decision-making

- Logic
- Quantitative
- Spatial

Communications

- Speaking and presentations
- Writing

Interpersonal skills

- Conflict resolution
- Relationship-building
- Board relations
- Motivation

Negotiations

- Sales and persuasiveness
- Forming alliances

Organizational

- Planning
- Project management
- Time management
- Meeting facilitation
- Delegation

*See VMA’s “Board Briefing on Business Planning”