

Another perspective

Developing a positive culture, taking control of personal emotions, sowing the innovation seed: some of the characteristics of the leaders that are able to make the difference. BY IGNACIO GUEBARA

Changes, everything changes. Long gone are the times when a company could stay on top marketing the same product, without substantial adjustments, during decades; it is difficult to imagine an industry that has not been affected by disruptive processes in recent years. "Factors such as digitization, globalization and the need to operate in two speeds - fast in emerging markets, slower in mature ones - are creating 'disruptions' across all sectors of the economy. Traditional differentiators, such as size, reach or the path of an organization are no lon-

ger there," says management expert John Mattone.

That changing scenario puts more and more pressure on the CEOs' shoulders. "To stay ahead, CEOs and senior teams should always be reconsidering, remodelling and reinventing not only the purpose of the company, but their own", adds Mattone. "If you do not have an executive director who is a great leader, who has character, values, good thinking patterns, lots of skill and a strong emotional condition; with the ability and courage to think differently, but also with a great deal of modesty, it is impossible to

create and sustain a positive culture that drives business success," he concludes. For many management specialists, such as author and lecturer Michael S. Hyatt, this sum of qualities can be summarized in a single attribute: authenticity. "It is no coincidence that the words 'influence' and 'influenza' have the same etymological root. True leaders are contagious. People 'get infected' with what they pass; are attracted by their vision and their values," he reflects.

Inside Out

One of the ways to boost those personality traits is, according to Travis Bradberry, co-founder of TalentSmart and author of the best-selling Leadership 2.0 and The Personality Code, emotional intelligence or (EI): a cocktail that not only includes having awareness of their own feelings but also the ability to control them, in order to channel behaviour flexibly and to have the ability to understand the emotions of others. Once developed, it is possible to use those qualities to effectively "manage" interpersonal relationships. "In my research, which required studying more than 1 million cases, we discovered that 90% of the executives who achieve a very high performance show high levels of EI. On the other hand, only 20% of those with low productivity get similar marks," says Bradberry, who acknowledges that there is a long way to go in this direction. "Only 36% of the individuals we analyzed were capable of correctly identifying their emotions," he adds. This means that two out of three people have no control over their feelings; they cannot detect or use them for their own benefit. That understanding is not learned at school. We enter the job market knowing how to read, write and use certain know-how packages, but without the ability to control emotions to help us solve the challenges and problems we face every day. Making good decisions requires much more

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than accurate information: that command of feelings must be understood, developed and rewarded."

Bradberry argues that self-knowledge is the primary tool for developing EI. "Once this ability is developed, it is much simpler to incorporate the rest of the skills that define emotional intelligence and are useful for improving our leadership skills. This demands a real interest in discovering aspects of oneself that until then were kept hidden. If that creates a certain discomfort, it is good: it means that we are moving in the right direction."

It's now time for "Superbosses"

Nine of the 11 executives who worked alongside Larry Ellison at Oracle from 1994 to 2004 became CEOs, board directors, or COOs at other companies. Twenty of the 32 coaches of the teams participating in the NFL were trained in Bill Walsh's "seedbed" in the San Francisco 49ers. Dozens of executives who worked with Julian Robertson, founder of the investment bank Tiger Management, now successfully run other companies in the industry. Determined to find out which patterns are common ground in those "leaders who form leaders", Sydney Finkelstein, a professor at the Tuck School of Business, analyzed thousands of newspaper articles and interviewed more than 200 people. "Once I was able to identify 18 'superbosses' - he wrote in the book *Superbosses: How Exceptional Leaders Master the Flow of Talent* - I started to look for behaviours, preferences and leanings in common that could explain what made these people able to drive growth not only of their companies, but also of their disciples. And I discovered that they tend to show great confidence in themselves, have a lot of imagination and are very competitive. They act with integrity and they

Jim Whitehurst, the facilitator

"My first interview at Red Hat showed me that working here would be a different experience," the company CEO, Jim Whitehurst recalled in his book *The Open Organization*. "There was no traditional hierarchy or special treatment for managers, at least not in the way one would expect to find in most companies. Over time I learned that the whole organization was based on the principle of meritocracy, a concept that comes from the open source philosophy: the best idea is the one that wins, regardless if it comes from the best paid executive or a young man who performs his summer internship. To put it another way, my first experiences at Red Hat were an introduction to what I believe will be the future of leadership," he revealed.

Unlike traditional software pieces, in which the total code lines of a system is written by the internal team of engineers of the company that designs it, 80% of the structure that shapes Red Hat products comes from "non-employees." Thus, a programmer working in another company can participate in a "development community", generating new functionalities for open source projects. "Contributing to open source communities is a badge of honour, because they are people who are building their reputation internally and also externally," Whitehurst told the Argentine newspaper *La Nación*. "We must allow developers to participate in them to be able to retain them."

The transition from a "traditional and structured" organization, such as Delta Air Lines, towards this new business culture was not easy for him. "When I joined Red Hat I thought it was chaos. I remember telling my wife, 'I have to clean this place, it's unprofessional.' "After eight years of his arrival, the stance he adopts is quite different." More than hierarchy and control, we foster the culture of participation to achieve high performance. Literally, we try to make innovation go from the bottom up of the company. In that sense, my job here is not so much to manage, but to allow things to happen," he explains.

That conception, which Whitehurst defines as "catalytic leadership," translates the concept of communities into all of the company's work teams. Each member must present their progress, concerns and ideas to the rest of the group in regular meetings; the others give their feedback, providing suggestions and potential solutions. In this way, the participants grow in responsibilities, adding self-confidence and increasing their potential. "If we seek that everyone commits to a cause, we must give them time and space to 'co-create' the way they approach it," he says.



Alex Ferguson, the Forger

Undoubtedly, sometime in the 27 years in which Sir Alex Ferguson served as Manchester United manager, the club must have been forced to expand the trophy cabinet at the legendary Old Trafford Stadium.

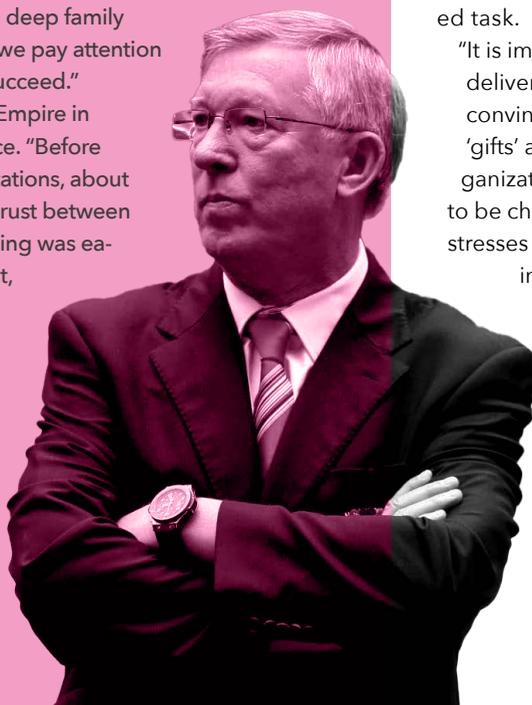
The coach - in charge of personalities such as Eric Cantona, Ryan Giggs and David Beckham - won a total of 38 titles leading the "red devils", including 13 English Premier League championships, five FA Cup, two UEFA Champions Leagues, one Intercontinental Cup and one Club World Cup. His work made United one of the most popular teams on the planet, with about 600 million fans across the five continents.

The coach's recipe for success is no different from that of any contemporary CEO, although it contains an ingredient that no corporate leader would dare to mention out loud. "The keys are the discipline, hard work, analysis, innovation ... and surround yourself with 'bad losers,'" he told a group of researchers at Harvard Business School.

From the beginning, Ferguson was committed to developing a long-term project. "As soon as I arrived at Manchester United I thought of one single thing: building a football club from scratch. I always looked for to create fluency in the arrival of players to the main team. With this approach, all the sportsmen were going to grow together, generating a union that over time creates a spirit," he explained. His interest in the lower divisions led him to found "Centres of Excellence" to train future stars.

"I am proud to train young people. The job of a manager, like the one a teacher, is to inspire each individual to be better. If one gives them more technical qualities and helps them to become winners and better people, they will be able to reach where they aim at in life. By giving them an opportunity, we are not only expanding the life expectancy of a team, but developing loyalty "he says. "What is forged in this way is a deep family identity. It is amazing what can be achieved if we pay attention to young people and give them a chance to succeed."

For Ferguson, declared a knight of the British Empire in 1999, technical talks were of crucial importance. "Before the games, he talked about everyone's expectations, about the faith of the players in themselves and the trust between peers. At halftime, if we were winning, everything was easier; on the other hand, in the midst of a defeat, I needed to generate an impact. I preferred to focus on highlighting the strengths, but also had to correct the reasons that led to failure," he said. "Rebukes are important, but I gave them just after the end of the game. I did not wait until the following Monday, but I did it as soon as possible. There is no point in criticizing a player forever."



are not afraid to bring out their true personality."

Finkelstein observed three major types of "superbosses" throughout his analysis. "Glorious bastards," including Ellison and Robertson, who only think about winning but know they need the best teams to achieve the goal and they invest in it.

In turn, "breeders," such as Mary Kay Ash - from the company that bears her name - or Michael Miles, former CEO of KFC, behave as true mentors, placing special effort so that their protégés attain extraordinary achievements. Finally, the "iconoclasts" - Ralph Lauren, George Lucas or Lorne Michaels, the creator of Saturday Night Live, just to mention a few - develop creative activities; their passion for what they do is what drives their work teams to grow. In any case, these leaders manage to leave a mark on the people around them.

Tom Carroll, until 2014 global president of the advertising agency TBWA, felt that passion when working with Jay Chiat, one of the great referents in the industry. "He had something that made it impossible to go back to acting in an ordinary way. It was something you could not go back from," he said.

Developing these skills may seem simple, but sustaining acquired behaviours over time is a complicated task.

"It is important for a leader to deliver clear, persuasive and convincing messages about the 'gifts' and 'gaps' of his or her organization, explaining what needs to be changed," says Mattone, who stresses the importance of promoting cyclical actions - such as plenary meetings and focus groups- that generate feedback and turn innovative ideas into problems to be solved. In that context, the fear of making mistakes

doesn't have to be a problem." There must be what Amy Edmondson, professor of Leadership and Management at Harvard, calls 'psychological safety': the confidence that no team member will be punished if they speak, ask for support or fail on a specific task. When bosses create a climate of psychological safety, when team members feel comfortable about failing and then comment and share their mistakes with others, everyone learns and improves. Instead, when mistakes are hidden, learning is less likely to occur and the chances of repeating those mistakes tend to increase," emphasizes the psychologist and "perfectionist in recovery" Tal Ben-Shahar. •

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Ignacio Guebara, journalist. He collaborates with WOBI.

Lars Sørensen, the Visionary

At age 46, after spending nearly two decades climbing positions in the company, Lars Rebie Sørensen was named Chairman and CEO of Novo Nordisk in 2000, the Danish laboratory that controls about half of the global insulin market. His leadership style, based on the Nordic tradition, led him to reach the top ranking of leaders that Harvard Business Review prepares each year.

"Sørensen is a good example of the management model that emerged in Denmark, which seeks a balance between short-term results and long-term holistic strategies," explains Flemming Poulfelt, professor of management and vice-dean of the Copenhagen Business School.

How was it that a virtually unknown CEO, who did not start the company he works for or have an MBA on his CV, was able to unseat Jeff Bezos from the top of the rankings? On the one hand, the growth of diabetes at a global level, which boosted Novo Nordisk sales and multiplied the value of its shares in recent years. "External analysts often suggest that we diversify our business because diabetes generates 80% of our revenue.

However, I have always believed that one must concentrate efforts on what we know how to do well. We have tried many new business development strategies in the past, but we have failed for both commercial and scientific issues as by our own naivety. That's why our expansion has been completely organic," says Sørensen. Second, its special focus on corporate social responsibility explains the success achieved: in a way that is contrary to other major pharmaceutical companies, Novo Nordisk produces "high-quality" generic insulin to be marketed at low cost in developing countries. "Consultants often say that companies should not do that. For us, this strategy drives our reputation," he says.

Sørensen's vision for the future aims to create a huge schism within the laboratory he leads. "When I became CEO I predicted that in 15 years we would find the cure for diabetes. We are still 15 years from that goal, but that is our bet. I tell my employees that if we develop that cure, even if it destroys a large part of our business, we will all be able to get employment anywhere else. We will have been part of the greatest service to humanity that any pharmaceutical company has ever achieved, and that will be phenomenal."

According to Poulfelt, whom Sørensen considers his mentor, those attitudes make the difference for the company's 42,300 employees globally. "Danish managers give their employees a purpose that brings out the best in them. These days, work has to make sense; the productivity is not associated with the salary, but the types of tasks to which the collaborators are exposed to", he reflects.

