

## CHAPTER ONE

# A LEVEL PLAYING FIELD

*The Death of Rank,  
The Dare of Exposure*

*When fortune surprises us by giving us an important position, without having led us to it by degrees, or without our being elevated to it by our hopes, it is almost impossible for us to maintain ourselves suitably in it, and appear worthy of possessing it.*

La Rochefoucauld, *Maxims*

*Opportunity: Neutralize hierarchy to accelerate trust and results.*

Have you ever found yourself in this quandary?

The team flocked into the conference room with a noticeable level of nervous energy. Nancy, Brookreme Corporation's seasoned CEO of seven years, had summoned her management committee to an unexpected meeting, telling them only that a major opportunity was on the horizon. Of course, Nancy's vague statement created quite a hallway buzz as the team members ravenously hunted for any morsels of information on what this major opportunity might be. The head of strategy told the CFO he knew nothing about any imminent deals. The sales executive cornered the head of HR to see if she knew of some strategic hire coming on board. The head of R&D marched into the COO's office and demanded to know if he'd leaked some of the "highly confidential" major initiatives on the drawing board. It was clear Nancy had something very important to tell the team, and whatever it was, nobody had a clue—or at least nobody was letting on if they did.

Nancy was on her cell phone at the back of the room as the team filed in. Some sat, others stood against the wall. Anxious glances were exchanged while the team waited for Nancy to finish her call. Nobody could make out what she was saying because she was clearly speaking softly, which was unusual for Nancy. When she finished, she snapped her cell phone shut, turned, leaned forward, and said, "OK, team, here's the situation. I've been thinking about this

for a long time, and the more I've studied the opportunity, the more I'm convinced we need to have a presence in China. I know we've debated this on and off. But with the increasing power of the Chinese economy, I think we could find ourselves in an unwinnable price war if we don't move now. Just look at how fast technology is migrating to Shanghai. Alchatech just announced they are opening manufacturing facilities there next year and will follow with distribution from Hong Kong and Singapore within the next two years. This is huge. They've already taken one of our major customers this year. If we don't build the capacity to supply global customers like them, and take cost out of the process, then we're gonna continue to take hits.

"So here's what I want," Nancy continued. "Don, I'd like you to assemble a SWAT team and start an intense feasibility study to determine what it would take for us to go after new or deeper relationships in the Pacific Rim. I want to know if we should open a sales office in Hong Kong, or if we'd be better off in Seoul or even Shanghai. I know this is going to piss off our people in Sydney because they've been going after this for a couple of years and have resisted us moving physically into Southeast Asia. But let me deal with that. Jim, I'll want your help since they report to you."

Addressing the whole team, Nancy said, "I know this feels sudden, and maybe even impulsive to you. But you have to trust my gut on this one, and I need your support to make it happen. I don't want to be asked at the next board meeting what our thoughts are on responding to Alchatech's move without having a robust response. I'm already getting emails from some of them asking why we didn't see this coming. Any questions?"

Don had plenty of questions, but he didn't open his mouth. Instead he seethed internally, barely containing his outrage. Don had been head of strategy for Brookreme for just under three years. His Harvard M.B.A. afforded him an early rise to the C-suite, and at just thirty-seven he had been enjoying the chance to influence strategic direction. But over the course of the past several months he and Nancy had had some heated debates regarding Asia. Don had strong misgivings. He worried that Nancy had underestimated both the market volatility of the region and the enormous cultural implications of doing business there. Don felt that Brookreme risked its credibility with U.S. and European markets—not to mention competitors like the Korean or Japanese who already had strong footholds in the region. An overnight decision like this seemed an unwarranted risk to Don. His face clearly betrayed his internal angst.

The team hustled out twice as fast as they had arrived. Nancy signaled Jim, her calm and always collected COO, to stay behind. The door was barely closed before Nancy yelled, “Why the hell does he do that?”

Jim knew what she meant, and he knew *who* she meant, too.

“I know he doesn’t want to do this, but for crying out loud, don’t stand in the middle of the room looking at the floor, sulking, looking away and drawing attention to your disagreement when you’re the damn head of strategy!” Nancy shouted. “Open up your damn mouth and say something if you have a problem, but don’t pocket veto in front of everyone.”

Nancy slumped back in her chair and continued, “This is what I get for putting a kid in diapers in such a big job. And I know exactly where he is right now. Fifty bucks says he’s down in Anita’s office this very moment whining about me and what I’ve asked him to do. I’m sick of this crap, Jim. I’m just sick of it. Don is a talented kid, no question. But when the hell is he going to grow up and stop bucking me at every turn? I swear, everything takes five times longer to get done when you have to deal with this nonsense.”

Jim perched on the edge of the table in a fatherly pose, ready to talk Nancy down off the “what to do about Don” ledge. “Don’t let this fester, Nancy,” he said. “You need to go down there right now and talk with him. Don’t *scream* at him, though. Just *talk* to him. He knows you’re the boss, you’ve made that clear. But *listen* to him. Some of his concerns may have merit. If you don’t want him to behave like a kid, maybe you shouldn’t keep treating him like one.”

Regardless of whether Nancy was handling Don the right way, her suspicion of what he was doing was perfectly on target. While she was venting to Jim, Don was indeed down in Anita’s office doing the same thing.

“How the hell could she do something like this?” Don asked heatedly. “At least she could show me the respect of clueing me in *before* she tells the whole team. She knows how I feel, so instead of being direct with me, she just pulls rank and end-runs me. If she’s not going to let me be her damn head of strategy, fine. But let’s stop pretending. I’ve done nothing but stand up and salute any time she asks for something. This time I’m not going to just roll over. This time she’s done her top-down thing once too often. I’m not just some snot-nosed green kid with a newly-minted M.B.A. right off the school bus. I know what I’m talking about. CEO or not, she ought to at least give me some credit. And I know she’s in there right now complaining to Jim about me.

Jim's told me that she vents to him about me whenever I try to exert any influence at all. What does she expect me to do—just blindly carry out her orders when she barks them?"

Venting helped Don calm down a little, but he had hardly taken two steps out of Anita's door when he walked right into Nancy. Without missing a beat, she said to him, "Oh, Don, glad I found you. Let's step into your office for a minute. I want to follow up on the China conversation."

### **For the Moment**

**What's your hunch about how this conversation will play out?**

**Do you find yourself identifying more with Nancy or Don? Jim or Anita? Why?**

**How would the team meeting have been different if you were in the room?**

This story gets at an issue that's complicated, as most issues of relationship are. On one hand, Nancy *is* the CEO, and she has the clear responsibility to set direction and pursue opportunities she feels are critical to Brookreme's success. On the other hand, she's appointed someone she feels brings important perspective to the strategic direction of the company, and she's now chosen to reject his views without letting him know her decision in advance. This is her prerogative—she doesn't *have* to take Don's advice. But Nancy has done so in a public forum, leaving Don feeling outranked and disenfranchised right in front of his peers. At the same time, Nancy feels unsupported and undermined. Will the two of them find a way, as colleagues, to set aside the confinement of their respective roles long enough to search for common ground? We'll check in with them again at the end of the chapter after considering what a level playing field might actually look like.

*The GDP (Gross Domestic Product) of the poorest 48 nations (i.e. a quarter of the world's countries) is less than the wealth of the world's three richest people combined.*

IGNACIO RAMONET  
*The Politics of Hunger*

## A RANK HISTORY OF PRIVILEGE

For centuries, the process of organizing human endeavor has required the use of hierarchy to delineate the varying roles leaders play, especially in a complex system of multiple interacting parts. Since the days of feudal caste systems and early military formations, rank has been an important device for clarifying who's deciding what and who follows whom. People in medieval and early modern times literally equated social roles with functions of the body, with the ruling class cast as the society's mind and the laboring class cast as arms and legs. Monarchs became so closely identified with their roles as chief executives of their nations that they were said to have two bodies: the physical body every person has and a second, mystical body that was the realization of the king's function. Curiously, modern corporations are, in law, exactly this sort of a nonphysical "body" that represents the corporate function and is treated as a separate person, distinct from investors, officers, or workers. The very word *corporation* comes from *corpus*, the Latin word for "body." Before the revolutions of the modern period, most people gave no more thought to questioning authority than they would to asking if their own hands and feet should obey their heads.

The corporate body was always conceived of as a group of people gathered together in a command hierarchy, acting in concert as a separate corporate identity. The structure mirrored the other command hierarchies of the time, which placed a premium on executive leadership. Modern corporations came of age in the seventeenth century at a time when a lot of modern arrangements, be they military, political, or economic, were taking shape. In fact, the navy hierarchy was taking its modern shape in Great Britain just at the time that modern concepts of equity and debt financing and corporate organization were finding expression. It is no coincidence that the individuals vested with responsibility for running the corporation are called *officers* as opposed to something like *agents* or *deputies* or *representatives*. Corporate officers have traditionally had a much stronger leadership role than merely acting as the custodians of shareholders' interests. Somehow, top corporate officers had to pull in large amounts of capital, build factories, get labor working, and connect to markets. To the organizers of early

corporations, running an enterprise and leading a military campaign presented similar logistical challenges, and the command and control techniques used in one field were valid in the other.

You don't have to go back to the seventeenth century to see this cross-fertilization in action. The Whiz Kids who ran the Ford Motor Company in the 1950s (including the first Ford CEO who was not himself a member of the Ford family, Robert McNamara) were all young men in the service during the Second World War, whose ideas of scientific management, hierarchical command structure, delegation of authority, audit, and control came straight from the U.S. Army. The science of managing this hierarchy and ruthlessly pruning it for maximum efficiency continues today at Crotonville. The popularity of Jack Welch's books underscores how firmly these ideas still are rooted in American business.

Certainly, scientifically managed hierarchies have achieved considerable successes and created great value in business. But there has been a flaw built into them from the very beginning: hierarchy as a device for delineating roles risks becoming entwined with defining power, status, and importance. Indeed, until fairly recently the people at the apex of political, military, and business hierarchies actively courted pomp and outward symbols of their authority. As the compensation levels of a corporation's most senior leaders have skyrocketed in recent years, the emblems of power and privilege have become as important for top executives as they once were for monarchs—lushly appointed offices, the 1950s dawn of the executive washroom, company-provided luxury cars, an entourage of staff assistants, corporate jets, and boondoggles to tropical paradises for five hours of meetings and three days of golf and spa treatments. You could be forgiven for mistaking today's corporate leaders for the nobles of pre-revolutionary France—and the scary thing is that the income disparity between rich and poor in twenty-first-century America is actually larger than that between nobles and peasants in eighteenth-century France. The pride and callousness of these French aristocrats preceded a fall that changed the course of organizational history. Might we be next?

I recently heard a story about a leader in an organization complaining about how he couldn't get a deal on a new, rare European watch and was forced to pay the full price of \$32,000 for the one he wanted. In the same conversation, he spoke about the frustrations

of how much it cost to maintain his yacht and his antique car collection. Things were so rough that he was actually considering selling one of his vacation properties. This leader's complaints would be considered insensitive by even the most privileged among us. However, his comments were made even more remarkable by the fact that he aired them in the midst of a staff meeting among women and men who made a tiny fraction of his salary.

His staff was forced to nod in feigned sympathy at his harrowing conundrum. Later in the meeting, when one of them talked about taking her family to the Jersey shore for vacation, he said, "C'mon, are you kidding me? That's not a vacation! You should treat your family better than that. Have you done Maui yet? If not, it's fantastic for families there. And you can get a great deal on a three-thousand square foot, two-bedroom house, fully staffed, right on the beach for probably \$20,000 for a week, off season." That suggestion represented about 25 percent of the woman's annual salary. At that moment, his secretary came in and said, "Your driver is waiting for you, and your wife called and said she'd meet you at the airport. She has to pick up the nanny first, and she wanted to know if you remembered to pack your diving license." As this executive's team members all left the meeting, one sarcastically muttered to the others, "I hope I live long enough to have those kinds of problems." The woman said, "Remind me never to talk about my vacation plans with him again. I should have known better."

Anyone could read that story and shudder at such incredible inconsiderateness. But being out of touch with others is a natural byproduct of climbing a hierarchy—and it will create challenging barriers to any relationship if you're not careful. The subtle signals of self-importance and self-aggrandizement are far more revealing than any leader would ever want to believe. Sadly, this story isn't as rare as you might hope.

The trappings of rank have nothing to do with the number of layers on the organization chart. The reengineering craze of the 1980s and 1990s stripped dozens of layers from organizations in the hunt for speed and efficiency. Even though many organizations found greater economies of scale in technologically driven processes and dropped percentage points to their bottom lines, "flattening" their structure did little to reduce the impact of rank-based thinking on the organization's performance. This does seem counter-

intuitive at first. Reengineering's tireless champion, Michael Hammer, is a terrifically persuasive speaker, and his argument that far too much time is wasted passing tasks from one group to another makes sense. Hammer points out that it is far more efficient to appoint a team responsible for all the tasks in a given process, either inside the company or outside, including suppliers, distributors, and other business partners. But there is a persistent problem with this. Even at the height of the reengineering craze in the 1990s, various commentators claimed that as many as 85 percent of all reengineering efforts were outright failures. Even CSC Index, the original Hammer promulgator of consulting services, estimated that two-thirds of reengineering efforts yielded "mediocre, marginal, or failed results." Hammer himself has acknowledged the difficulties inherent in reengineering, and he attributes them to poor execution of the necessary changes. I take issue with this—though clearly some change efforts are botched in execution, the success rate should still be higher than it is if getting rid of layers and handoffs actually works.

I think the real answer is that the de-layering pursuit is only half right. The notion that speed is a byproduct of reducing people's unnecessary participation in business processes—especially decision making—is true. Establishing processes and technology to move information only to those places it is most needed is a great way of getting the right people to act more quickly to resolve issues or seize opportunities. Indeed, greater organizational clarity can both reduce decision paralysis and mitigate the information traffic jams caused by political battles or diffuse accountability.

The flaw in the theory is the notion that broadening spans of control and having fewer layers between the top and bottom of an organization is the way to achieve greater clock speed. True, fewer layers might *facilitate* that speed. But picture in your mind this kind of leader:

- Inclined to micromanage
- Flaunts privileges and drops names
- Insists on participating in decisions they really shouldn't
- Directs the work of others even though those employees are presumably entrusted with key decisions
- Exercises every bit of the authority that comes with the role, no matter how trivial

It doesn't really matter how many or how few layers are underneath this kind of leader—things are going to slow down.

Some have argued for simply doing away with hierarchy all together. Perhaps the foremost proponent of this view is Jeffrey Nielsen, who calls for an end to rank-based hierarchies in his book *The Myth of Leadership: Creating Leaderless Organizations*. According to Nielsen, hierarchies should be replaced by a peer-based leadership model. Nielsen feels there is a qualitative difference between rank-based thinking and peer-based thinking, with the former based on a monopoly of information and control at the top of a hierarchy and the latter based on the belief that everyone in the organization should have equal standing to share in information, participate in the decision-making process, and choose to follow through persuasive means. He posits that a peer-based organization would be free of the miscommunication, corruption, and abuses of power inherent in top-down leadership systems. This organization would also be essentially leaderless.

But is hierarchy really the problem? Would anarchy be any better? Can every decision be made by group consensus, without someone ultimately accountable for a strategic decision or direction? Frankly, I don't believe hierarchy in and of itself is the issue. I think there is something deeper going on—and the lingering effects of command-and-control leadership and the intolerance of emerging leaders are starting to spotlight it.

*If at first you don't succeed, remove all evidence you ever tried.*

DAVID BRENT, regional manager WERNHAM HOGG  
*The Office*

## WHAT HIERARCHY PROTECTS AND OBSCURES

David Brent, the “hero” of the BBC series *The Office*, is a burlesque of the worst leaders we've experienced. However, the series became an international phenomenon precisely because his antics are all too familiar to anyone who has worked in an organization of any kind. The show allows most of us to think, “At least I'm not *that* bad.” Still, we're all subject to the dangers of rank and privilege. Anyone who has served in a leadership capacity, especially at the

senior level, knows the familiar sense of impending hazard that comes with the job. At any given moment, negative press, prying analysts, a rival department, a demanding boss, a suspicious board member, an angry customer, an opportunistic shareholder, a technological snafu, or a miscalculated earnings report can intrude on your sense of well-being, totally unannounced and with great force. At that moment, the reality of being onstage and exposed is as real as it gets. All eyes are on you. Everyone expects a brilliant explanation and swift response. Who wouldn't find someplace to hide? When we're called on the carpet, we naturally want to fall back on the handiest excuse, or lie, or blame a scapegoat, or spout tough-sounding rhetoric, or run for the nearest restroom stall. The more power one has, the more sophisticated and well-resourced one's hiding mechanisms can be.

Don't get me wrong. I take no issue with the perquisites that accompany highly demanding, often unforgiving jobs. And some of these *should* accompany such a job's high-stakes requirements and risks. The problem is, when *privilege* becomes *protection*, and relationship is impaired, rank becomes an impediment to performance instead of a facilitator of it. It erodes the trust of others. Among followers, it breeds resentment of the leaders and distracts from the work at hand. Perhaps most significant, it brings the integrity of the leader into question when her actions and words don't match. One emerging leader told us the story of frozen salaries and cutbacks being made in her organization while the CEO received raises and bonuses. She was "stunned that so many would perceive this CEO as an effective leader while betrayal and mistrust ran rampant throughout the organization." Having privilege is one thing. Hiding behind it is something entirely different.

This type of hiding leads to a secondary problem. It obscures a leader's visibility into the organization. One CEO told us that his head of HR informed him that they indeed were "in trouble" because of a lack of real succession planning throughout the organization, and as a consequence they lacked a sufficient pipeline of leaders prepared to assume broader roles as they pursued exponential growth. The CEO was skeptical of the diagnosis. His conclusion was not that there weren't any leaders, but rather that their corporate ivory tower obscured the visibility of those leaders. He said the solution wasn't to go and hire more leaders, but rather to

create the necessary visibility to see the leaders they already had. That meant they had to get out of headquarters and out into the field to meet those leaders, learn from them, and give them exposure to the broader organization, and to allow the organization to see them. To do so required a forfeiture of corporate privilege. To have “summoned” them to headquarters would have defeated the purpose. Instead, the CEO chose to put rank aside and momentarily collapse hierarchy to create access to the rest of the organization.

Let’s go back for a moment to the leader who complained about the price of his watch in front of his staff. Think of what it would have meant for him to have said to the woman planning her New Jersey vacation, “I hope you have a fantastic time with your family. The Jersey shore has some of the most beautiful beaches in the country.” That would have exposed his humanity as her peer. It would have required stepping off the perch of rank, stepping into her world, and participating in it well. And what is the cost of missing this opportunity? Is her resentment and shame going to do much for her productivity that day? How might she have left the meeting had he been gracious to her?

What is it that can be so intimidating, sometimes terrifying, to leaders presented with the opportunity to step off the pedestal of privilege and level the playing field with those they work?

*These days, everyone wants John Lennon’s sunglasses, accent and swagger, but no one is prepared to take their clothes off and stand naked like he did in his songs.*

BONO, *international rock star  
and political activist*

## THE RISK OF EXPOSURE

Conventional management wisdom has taught us for decades that keeping one’s distance from others, especially those one leads, is essential to good leadership. To be objective, one mustn’t get too close. By keeping that distance, the leader would ensure that her ability to make decisions about others, especially tough decisions, would never be compromised. Imagine having to deliver tough performance feedback to—or, worse, having to fire—someone who reported to you with whom you also have a close relationship.

Maybe this is even someone who had helped you in your own career. Maybe this is someone you see socially—your kids play with this person’s kids, you play golf together, you enjoy each other’s company—and now you have to let that person go. How can you do it without feeling guilty and loathing yourself? What happens if you can’t bring yourself to do what you know you must? It’s easy to see how the notion of distancing oneself from those we lead became fundamental to management acumen.

Here’s the problem, though. The further a leader is from those she leads, the less reliable information she will have to be able to know what is really important to others, what their passions are, what their concerns are, and what they really believe about key decisions. Moreover, emotional distance creates the need to fill in interactions with an artificial cohesion to cover underlying feelings of uncertainty just beneath the surface. We’ll talk more about that in the next couple of chapters.

And what about the myth of objectivity? Does distance really lead to it? I would suggest just the contrary. I would argue that the *more* data a leader has about those she leads, the more *genuinely objective* she can be. And when it comes time to make hard decisions and deliver bad news, it will be done from a place of care and regard, not cold, obligatory management. It appears that leaders who experience the most satisfying relationships with those they lead clearly indicate that having the confidence, trust, and access to one another enhances performance.

So why does the notion of being accessible and close to others cause many leaders fear? Because many leaders still have yet to learn that the exposure of their humanity and even their failures buys them *more* credibility, not less. Despite all that has been written on the need to be authentic, honest, and candid about our shortfalls, this becomes progressively more difficult the higher you go in an organization. The superhuman, superhero status that’s either assumed by leaders or forced on them by circumstances makes the risk of exposure too great. A whole choir of today’s leaders is singing the same refrain:

- “Most people I know don’t think about my frailties or insecurities—even though I’m fairly open about them. I don’t really believe that they get it. Still, I fear that if I

appear unsure about certain things, that would compromise my leadership. So, I tend to play it safe . . .”

- “I fear the betrayal that will inevitably come when I tell the truth about my organization to my organization. The truth triggers the fears in others—especially if those folks are going to lose some measure of control. It’s an ache that controls me more than I would like . . .”
- “I have worried that my job could be in danger if I showed who I really am. My fears have overcome me to the point where I wonder if the fight was really worth it . . .”

This is just a sampling of what I’ve heard from hundreds of account managers, junior executives, vice presidents, and pastors. It’s a difficult tune to hear. The good news is that they remain open to a different kind of relationship than the one they know now. Even better, they are teaching us the tune that will captivate them. We must be willing to learn to sing in a different key.

*When I’m riding in my limo I won’t look out the window  
Might make me homesick for humanity  
There’s nowhere that I can’t go and there’s nobody I  
don’t know  
And there’s an emptiness that’s eating me*

BARENAKED LADIES  
“Celebrity”

## THE PARADOX OF EXPOSURE

When was the last time you withdrew your respect from a leader who humbly accepted responsibility for a mistake? Aren’t we more likely to offer greater respect and support to a leader who steps out from behind his rank to show us a human face? And with greater trust, are we not more likely to achieve greater speed? Things always move faster when we aren’t second-guessing those with whom we lead.

The other side of this equation is also true. When leaders are willing to expose what they are normally inclined to hide, they set an example that invites others to do the same. So instead of all the wasted time and lost productivity that comes from shifting blame

and accountability, sifting information and softening the blow of bad news, a level playing field allows for even the toughest issues to be surfaced and resolved in a fraction of the time it might otherwise take when everyone is too busy trying to run from a problem, avoid an angry boss, or avoid looking bad in front of the organization.

What makes the notion of such an environment so utterly foreign to so many, yet at the same time so desperately desired? Our inherent desire to be seen well and only well. Who among us would say we enjoy the idea of what might appear to be public humiliation and shame? Not many. So the paradox to be managed is this: *when we seek to be seen without flaws, we wind up looking untrustworthy and underperforming*. When we allow ourselves to be seen with limitations, we look trustworthy and competent. Dr. Dan Allender, in his book *Leading with a Limp*, offers this thought:

“The shadows of deceit grow in an organization where leaders hide in order to survive. The result of hiding is a labyrinth-like litany of half-truths, truths, and lies that eventually make the community cynical and mean. The mission of the organization is lost in the fury of fighting to keep power and avoid being harmed . . . Becoming a more human leader involves confessing one’s need for others. To confess that I need you—to help me think through a decision or to hear my struggles—is to admit that I am not enough, period.”

As I said earlier, incumbent leaders are desperate to stop carrying the weight of Herculean demands on their shoulders, self-imposed or not. It is also true that emerging leaders, who are far more naturally comfortable with vulnerability, are desperate to experience it from leaders preparing them for future leadership. Listen to what these emerging leaders told us about how they long for their leaders to be human instead of superhuman. They don’t want to be led by a faux Hercules. They do want strength, but they want grace and passion as well.

- “The most remarkable leader I have seen in action was a president of an organization with eighty passionate, intelligent, diverse members. Watching her mediate, encourage, reward, and discipline was fascinating—far more fascinating than watching her manage a project.”

- “I am grateful that I can confide in my boss—that she understands what I am up against. Without her, my job would be impossible. She can play the game—and she teaches me how to play. I abhor people in high positions who are there just to win the game for themselves.”

Emerging leaders are developing a healthy contempt for the “ends justify the means” mentality and are demanding that their leaders respect them as participants in the process. The good news is that there are a growing number of incumbent leaders who are indeed mere mortals—and emerging leaders are thrilled to work for them.

*Weak is the new strong.*

ANDREW, *age twenty-eight, an emerging leader*

## HOW EXPOSURE INCREASES TRUST AND CREDIBILITY

Trust based purely on position is typically short-lived. If a leader must use rank to get things done, performance is eventually going to lag—severely. Credibility is never established by rank. It might be partially established by a performance track record that takes the leader up the career ladder to increasingly broader positions. But once she reaches a new level, the track-record meter is usually reset to zero and she must start building her next portfolio of accomplishments. The only sustainable source of credibility that increases over time and changed roles is your ability to establish relationships that transcend the boundaries of rank. Your peers have odd ways of remembering what you were like, once you find your way into roles above them. Your equity with them will rise or fall not because you rise, but because they don’t perceive you as treating them with any less respect *because* you rose.

A classic example of how pulling rank can lead to demise came during one of the most painful experiences of my career. I was appointed as a vice president of a department in a large division of a global corporation. The man who hired me was clearly a gifted leader, one I believed I could learn from and enjoy working with. For the sake of anonymity, let’s call him “Steve.” Steve appointed

several VPs to key positions to help him create significant change in the organization. After about a year working with this new team, Steve's boss moved on and Steve was promoted into the vacated corporate job. Our team was suddenly without a leader and we were all highly anxious about who might fill his former role. For a handful of reasons, none of us wanted the position, and it stayed vacant for seven months. We began to hope it might just stay that way, or that we'd all get invited to be on Steve's global corporate staff. Our hope ran out when Steve's former boss, who had failed miserably in his new venture, returned and, due to his political capital, was hired into Steve's former division role. Essentially, the two men had swapped jobs. Despite our pleading with Steve to see the impending disaster on the horizon, he didn't anticipate the blind ambition that would motivate his former boss to reclaim his corporate job with a vengeance. After systematically dismantling everything that Steve had accomplished in his absence, our new boss publicly discredited each of us and fired us one by one on a whim. Steve was powerless to help within the corporate culture, and as a result he had no choice but to resign from the corporation because of the unconscionable actions of a man, who of course, ended up getting his old job back.

The drunkenness that can come from exploiting one's rank often ends in tragedy: a loss of control and, ultimately, a loss of the very influence sought in the first place. Steve's former boss, turned employee, turned replacement, finally used up all his credibility within the organization—his power rampage and the ensuing wake of bodies that accompanied it had played out for all to see. The performance of his organization became so poor, turnover so high, and litigation against him so prevalent, that the CEO had no choice but to remove him from the organization.

Now, let me offer two contrasting stories that show the supreme value of using rank in the context of meaningful relationships. The first is the story of Jim Sinegal, the CEO of Costco, who is the perfect opposite of the stereotypical high-rolling CEO. Costco is the top warehouse retailer in the United States, and its share performance is impressive, racking up a 354 percent increase in the past ten years compared with only 237 percent for the S&P 500. Costco's sales have grown 11.7 percent annually over the past five years, and its earnings have climbed 13.2 percent per year in the

same period. However, when Sinegal has a meeting with a visitor at the company's headquarters in Issaquah, Washington, he goes down to the lobby himself to escort the guest to his fourth-floor office. He answers his own phone, doesn't have an executive wash-room, makes do with twenty-year-old furniture, and doesn't even have an office with walls. As Sinegal puts it, "We're low-cost operators, and it would be a little phony if we tried to pretend that we're not and had all the trappings." Instead of amassing perks for himself, Sinegal focuses on boosting salaries and benefits for Costco cashiers. Despite grumblings from Wall Street analysts who think ever higher shareholder return could be achieved by holding payroll expenses down, Sinegal says, "If you hire good people, give them good jobs, and pay them good wages, generally something good is going to happen."

Here's the second story. Several years ago I was working with a CEO of a major healthcare system. The board had been pressuring him to drive revenue, given that they'd done several key acquisitions to increase their patient volumes through cross-service-line referrals. But growth was slow, costs were rising, margins were shrinking, and nobody could see where the revenue was hemorrhaging from. The CEO contemplated going before the board, at the advice of his COO, and presenting a highly spun story about how things were getting under control, how clinical and financial data were soon to be more easily accessible, and how relationships among service-line physicians were improving enough that referrals across in-patient and out-patient care volumes would soon be rising.

The problem was that these claims weren't true, and he knew it. We strongly urged him not to spin a story to the board that he'd later regret, encouraging him to simply tell the truth: that he needed time to get to the bottom of the issue, and that was going to mean changing out some key players who'd not been getting the results they'd promised. This CEO was highly conflict-averse and not easily inclined to exert his will. Nonetheless, he told the board the truth about being frustrated, gave them some plausible hunches about where the issues likely resided, and asked for three months to come back to them with a clear plan. To his surprise they were quite gracious, empathetic with his frustrations, appreciative of his candor, and supportive of the tough moves he felt he needed to make. Three months later, it was very clear that the issues resided

in two major units—major surgery and oncology. The controller had been mistakenly reporting delayed volume reports, and poor scheduling in the central scheduling department for surgery had surgeons taking their patients elsewhere. Within nine months of identifying the real issues, performance was turned around, volumes were on the rise again, and clinical and financial data were being reported accurately. By disclosing his own frustrations and the truth about performance, the CEO gained credibility in the eyes of key constituents, and resolved the problems far faster than he would have had he chosen to mask them behind a charade of embellished information on the bet that he wouldn't get caught.

In both of these examples, we see CEOs who behave like regular, fallible people trying to do their best for their employees, their shareholders, and their companies. The trappings of rank and privilege aren't influencing what these leaders are doing—their motivator is trying to find out what's *right* and acting on it. I am daily confronted by leaders who have a desperate urge to spin information and shape perceptions that run counter to the truth. It takes enormous courage and humility to use rank judiciously. Anyone can use their influential position to self-protect and hide. But the wake of cynicism from decades of such behavior has left emerging leaders intolerant and incumbent leaders all guilty by association.

### **For the Moment**

**How would others say you have used rank?**

**Have there been consequences that were desirable?**

**Would others use the words *courageous* and *humble* to describe you?**

## PRIVILEGE AND RANK: DIFFERENT MEANINGS TO DIFFERENT LEADERS

One of the classic definitions of leadership offered during the 1980s was *The art of getting others to want to do things you are convinced should be done*. At the time, the definition seemed insightful and

inspirational. Trainers and professors would dissect the definition, focusing on the abstraction of *art*, the importance of desire in *to want*, and the phrase *you are convinced* with its emphasis on the importance of conviction in leaders. All noble and good. But nobody ever spent time on the *getting others* part. In hindsight, that required more attention. Because *getting* has come to mean a broad range of approaches, regardless of the consequence. As we'll explore in Chapter Four, the *getting others to want to* part has come more to mean *to make them think it's their idea*. And the *should be done* part has mushroomed into a dogged results orientation, often disregarding the consequences. For many incumbent leaders, successful leadership has been about the ends, not the means. Despite much attention drawn to the process of leadership, organizations of all kinds still measure their success by outcome.

Hear me well—results are important, and exceeding expectations of achievement ought to be celebrated. But the power surge accompanying that achievement includes an emotional invoice, and too frequently others are asked to pay it. The addiction to those surges can cause leaders to *get others to do things* at all costs—ethics, life balance, manipulation, coercion, and exhaustion. Intended consequences? Of course not. To most, the pursuit of lofty objectives and the ensuing pride in accomplishment more than justifies whatever it takes to get those results. Emerging leaders are simply far more scrutinizing of the cost of those results than most incumbent leaders ever needed to be.

The concept of *followership* used to be a respected concept—denoting the status of a disciple or advocate for a leader as an avid supporter of his vision and direction. But in the complexity of a global and technology-driven economy, this kind of *followership* must simply die. What leaders need now is many others leading with them. Not *under* them. Not *for* them. Not *following* them. But *leading with* them.

Unfortunately, *follower* has come to mean *spectator*. Tenacious would-be leaders come to know the cues of a leader who has set off on a course from which he has no interest in deviating. No need to follow with conviction; just go through the motions and watch the leader do his thing. When leadership becomes a solo act, don't waste time looking around for others to energetically get on board. Ira Chaleff, in his wonderful book *The Courageous Follower*, says it so well:

“Dynamic leaders are the spark, the flame that ignites action. With vision, they generate and focus power. But followers are the guarantors of the beneficial use of power. Dynamic leaders may use power well, but they cannot be the guarantors. In their passion, their expansiveness, their drive, dynamic leaders are prone to excess: a deal too large, a bottom line too important, a cause too righteous, an image too pure, a lifestyle too rich, an enemy too hated, a bridge too far.”

Unfortunately, to the emerging leader, high rank has become nearly synonymous with corruption, conspiracy, and arrogance. Emerging leaders grew up in the post-1960s era of Watergate, gained isolated independence as latchkey kids, and learned to be cynical during the energy crisis. They don’t remember the Kennedy White House, but they do remember—and many of them believe—Oliver Stone’s *JFK*. They’ve grown up believing that the old ways of defined pecking order, strict hierarchy, and slow promotional tracks are misguided and inefficient. They are skeptical about what they’re told. They need feedback and flexibility, but despise close supervision. They believe their merit has already earned them a rightful place of importance, and they yearn—or demand—to be treated as peers. Their distrust of those in authority has led them to desire unrealistic degrees of egalitarianism as a misguided way to avoid the abuse of power.

At the extreme, emerging leaders often believe rank shouldn’t be seen or heard. They struggle to reconcile the need for direction and clarity with having another’s will imposed on them. Their impulse to reject rank is strong, particularly when being forced to defer to another’s views equates with tacit endorsement of those views. Despite this impulse, they understand that a perpetual stalemate will result in nothing getting done. Even if they are ready to acknowledge that hierarchy is good if used properly, they’re not sure they know what that looks like. As one emerging leader put it, “We are witnessing first hand the behind-the-scenes hypocrisy, and learning that in leadership roles it’s only a matter of time before ‘being liked’ and ‘doing the right thing’ come into conflict.” Emerging leaders earnestly want to believe in their leaders, but they’re plagued by their experience of rank-hoarding leaders. One emerging leader told us, “My boss thinks his title grants him limitless power over everyone.”

Balance lies somewhere between the exertion of complete authority accorded one's rank and the abandonment of exercising any influence on the other—a dynamic in constant flux. In the degree to which a leader exerts her will and the degree to which, *in the same moment*, she can look into the eyes of those she leads and express both her hopes and uncertainty about her will—that is where the balance is beautifully struck.

Rank—inasmuch as it consists of the clarifying of one's role and the exercise of influence toward generative outcomes—is good. Being a leader of influence and using the authority accorded with one's position, in the service of moving an organization forward, is very good. Leadership should never be about only one person getting their way at the expense of others. Nor is leadership ever about everyone getting their way. It is a paradox—leaders must use their position well in the service of a strategic intent, but in doing so they will inevitably both inspire and infuriate with the same action. This reality is painful for both leaders who must cause the tension and leaders who must live with the tension.

The tension of hierarchy is complex. Rank does have privileges. Sometimes those privileges are unfair, and sometimes we're just envious of them. And rank also comes with significant cost. My clients often tell me how pained they are by the isolation of their role. They long for the moments of camaraderie with true colleagues, yet are paralyzed by the political implications of letting down their guard. Ironically, it is in the letting down of their guard that their influence can either become secured or be taken advantage of. Benevolent leaders who forfeit the protection of rank to make themselves vulnerable are often trampled by the opportunism of others' selfish ambitions. In their hurt, they return to their hiding place of rank. Both emerging and incumbent leaders resent this.

Incumbent leaders who have the courage to exert influence in the service of helping an organization flourish, even in the face of disappointing others, are a needed asset. And emerging leaders who have the desire to ensure that authority is used justly, even if it means decisions might be slower and outcomes might take longer, are also a needed asset. We need to learn to embrace both views as complementary rather than opposing. Not all incumbent leaders are benevolent dictators or, worse, harmful despots, self-

servingly presiding over others. And not all emerging leaders are recalcitrant rebels, intent on overthrowing any authority that dares constrain their free expression. It is sad that each often experiences the other that way.

I believe more incumbent leaders than not want to lead justly, use authority humbly, and, to the best of their ability, ensure that the privileges of their rank never harm others or provide a shelter behind which to hide. And I believe more emerging leaders than not are yearning to use influence well, yet fear having no one to show them how. I believe behind their jaded eyes are hopeful hearts and a belief they can change the world if given the chance. And indeed they will. Together, incumbent and emerging leaders could join forces and create new authority structures that neither has ever experienced, yet in which both could thrive in ways not possible alone. Here are some starter thoughts on how to do that.

## THE BRIDGE TO RELATIONSHIP: NEUTRALIZING RANK TO ACCELERATE TRUST AND PERFORMANCE

The ultimate cost of abused rank is losing the trust of those from whom we most need it. Without their trust, we will never have their best thinking or contribution. The most effective way to offset that potential drain of trust is through exposing our vulnerability. I hope these ideas, many of which came from the leaders in our research, offer some guidance as you find ways to build relationships with leaders around you. Undoubtedly you will have many other ideas to add to the list.

1. *Negotiate clear boundaries.* One of the simplest issues leaders often overlook is the need to be clear about what they expect of one another. I tell my clients to “lead out loud” often, especially when a relationship is new. Political dynamics and strenuous performance pressures cause others to attach meaning to nearly everything a leader says—and, even more so, what a leader *doesn't* say. Leaders can never presume the boundary conditions for authority are clear. Talk openly about how specific decisions will be made and actions will get taken and what role people will play in which

decisions. When you have made decisions, let people know the rationale behind them so they don't misinterpret your reasoning. If you sense people feel dissatisfied about their authority levels, ask them to talk about it. It doesn't mean you will alter your decision, but it does mean you will have heard their concerns.

2. *Never forget that privileges you enjoy might trouble others.* This doesn't mean it's about you; it might simply be the envy of others. But if you sense resentment over the privileges you have been afforded, or you have inadvertently signaled a high level of enjoyment of those privileges, others may ascribe self-seeking motives for your being in your job. Once others have concluded that you are self-serving, everything you do becomes evidence to support that conclusion. You may never understand the cold shoulders you receive from others, but it could have to do with how you have enjoyed the privileges that come with your role. You will never alleviate this completely in an organization, nor should you try, especially from those who observe you from a distance. But for the key relationships with those whom you regularly interact, you should be diligent about knowing how they experience your treatment of privilege.

3. *Generously share the privileges; never gloat.* It may sound ridiculously simply, but when you get to enjoy nice meals at restaurants, while others have to eat at the deli or bring leftovers from home, people notice. Take others to lunch. This is not to pity them or to treat them as the underprivileged getting a taste of the good life—doing so looks like you're subtly trying to rub their nose in your privilege. Be gracious, and invite others to partake in some of the benefits of your role. Include those at different places on the hierarchy. I've heard dozens of stories from CEOs who will routinely schedule lunches and dinners with people from all over the organization, and the level of appreciation and respect it garners them is enormous, not to mention the value of the conversation that gives leaders access to views and perspectives they'd otherwise never hear. You should scrupulously avoid ever talking about anything to do with your financial status, your personal possessions, the convenience of riding on the corporate jet, or the cost of your daughter's wedding or your recent vacation, and you should never get sucked into such conversation by someone looking to one-up

others. You should, in fact, strongly discourage such conversation. It breeds resentment and is really in poor taste.

4. *Expose the struggles that accompany rank.* This is *not* a license to whine or complain all the time. We all have been around leaders who feel the need to continuously talk about how exhausted they are, how late they were up doing emails, how early they started their day, how much work they did on the weekend, and so on. But the fact is, the demands on leaders are unique and consuming, often depleting, and although others can't be in your shoes, your sharing with them what that sometimes feels like can go a long way toward demystifying the alleged grandeur of power. Making your humanity visible in the context of privilege is one of your greatest assets toward building trust, which is the fundamental building block of speed. Don't hide it.

5. *Stop resenting or judging others for their influence.* It's so convenient to lump all leaders, especially incumbent leaders, into the category of "opportunistic post-Enron, greedy autocrats." Truth is, most aren't. But if you judge and convict them all before you even know them, you will miss incredible opportunities for relationships that can be transformative. Pay close attention to your own biases about authority, and watch out for the ease with which you can subconsciously project those onto others. If a leader displays confidence, be grateful for that confidence, and don't assume it means anything more. If a leader makes a decision, don't instantly conclude they have deliberately thwarted you. Instead, engage them in conversation, even if that feels risky. Your candor is welcomed more often than you think it is. Your resentment and judgment, or a perpetual instinct to be rebellious, only fuel your fellow leaders' impulse to withdraw and hide and to exert their will more forcefully. Your graciousness, by contrast, invites a more open stance, a willingness to risk exposure, and an exercise of authority that is both strong and kind.

6. *Create access to the organization.* Nothing will completely prevent obscured visibility into the organization, but you can take deliberate action to ensure you have the greatest possible lines of sight. Be sure you create mechanisms that get you off of any hierarchical perch and out into your organization—anywhere the action is. Plants, stores, laboratories, distribution centers, call centers, and

field offices are places where people need to see you, and where you will get your best access to, and view of, those desperately desiring to be seen by you. Ask genuinely curious questions of those you meet with, and take the time to hear their stories. Allow them to ask you no-holds-barred questions about your role and what you are working on. These conversations, on their turf, will go a long way toward neutralizing hierarchy.

7. *Extend trust before it is earned.* One of the ways to ensure that trust is established, especially from those not inclined to extend it, is to offer it from the get-go. By inviting people into your circle, you convey to them that you trust them—no strings attached. It leaves them the option to reciprocate or not, but at least they have a more accurate view of who they are extending trust to or withholding it from. Conversely, by keeping your distance you risk reinforcing potentially inaccurate conclusions about your trustworthiness and, worse, you fortify the use of erroneous criteria others might be using to assess your, and others', trustworthiness.

So let's check in on Nancy and Don. It would be easy to assume the conversation they were about to have would end unpleasantly for one or both of them, especially Don. There would likely be an apparent winner and loser, but in reality, both would lose. One day soon, I hope for tough conversations like that to play out something like this . . .

Nancy shut the door to Don's office as he took a seat behind his desk. She took a deep breath, then sat in the chair across from him. They stared at each other in perplexity, both knowing the tension between them, yet both accepting that underneath they had a strong mutual respect for each other's talent and insight.

The awkwardness of the silence got to Nancy first, so she jumped in. "Don, I gotta tell you, there are just days I don't know what to make of you. Most days, your brilliance blows me away. You have more talent and knowledge of Brookreme than most people who've been here twice as long as you have, and you have what seems to be bottomless energy. But there are other days you just frustrate the hell out of me, and you already know today is one of those days."

Don did a good job not letting Nancy see him gulp, and he worked to remain calm though his anxiety was rising. He was certain the next sentence was

going to signal his being jettisoned from Brookreame. Still, he couldn't resist the impulse to defend himself. "Well, Nancy, I guess that makes two of us," he said. "I get that you are the boss and you get to have your way, but when you make decisions that I think don't make any sense, I just go nuts. I know you are wickedly smart, and I jumped at the chance to report to you because I knew I'd learn a ton from you. And I have. But sometimes it feels like you are just a bully."

Now Nancy's blood was boiling. She felt Don was being disrespectful and arrogant. But she had sworn to herself she would take Jim's advice. Careful to keep her voice at a conversational level, she said, "I get that there are times you don't like directions I choose, Don. But can you honestly say that you don't feel like you have influenced me at all? Your fingerprints are all over the direction of this company, and your input has shaped countless numbers of my decisions. Do you honestly expect that every decision will go your way?"

Without missing a beat, Don leaned forward on his desk and retorted, "But why didn't you tell me before the meeting today that you'd planned to go in the opposite direction? You asked me to do all kinds of thinking about Europe, you knew that I thought Asia was a sinkhole, and yet you never closed the loop. I had to find out in the middle of the room in front of everybody else. Couldn't you have at least had the courtesy to come back and let me know so I wasn't blindsided in front of the whole team?"

"Well to be honest, I just didn't want to have another debate with you," Nancy replied. "I knew you'd be frustrated, and frankly, Don, sometimes I just don't have the energy to explain everything over and over. But I can see how today would have felt disrespectful to your work, so I can own that. I'm sorry."

That stopped Don cold. He'd never heard Nancy apologize. After a moment, he said, "Wow. I've never heard you say that." His need to keep fighting faded.

"Don, I'm human too," Nancy said. "I have to balance a lot of people's ideas and needs, but at the end of the day, I'm accountable to a lot of people for the results of this place. And they put me in this role because I have experience and have been successful more than I've failed. Yes, I've had some miserable failures. But I'm not stupid. And sometimes I just need you to trust me, even if you disagree. And when you do disagree, I don't need you pouting and huffing like a child when you are around the executive team. They respect you, but you know that I advocated hard for you to get this role against some of their feelings about your inexperience. You can't keep reinforcing some of

their beliefs that you are just an immature, ivy-league snot who thinks he's hot stuff. I know you are more than that. But you have to show me, and the organization, that you are as well."

"Well, I know I can be a hothead sometimes," Don admitted. "Drives my wife crazy. I just get excited about new ideas, so I don't know how to deal with it when I hit a wall. So I get pissed. I'll work on it."

"So will I have your support on moving ahead with China?"

"I'll give it my all. Just next time keep me in the loop, OK?"

"Got it. I'll work on that," Nancy said.

The conversation ended with Brookreme's characteristic soft high five and a knowing grin that spoke volumes on each of their faces. They knew something important had just happened, and they also knew it wouldn't be the last time the two of them would pit wills against one another. There was an unspoken, newfound respect between them that made the inevitable next time more a chance to intellectually spar with a good colleague and mentor than just another exhausting opportunity to battle over turf.

### **For the Moments Yet to Come . . .**

- 1. How have your beliefs about rank been shaped?**
- 2. What do you like most and least about using the influence that comes with your role?**
- 3. How do you manage the privileges of your rank? Of others' rank?**
- 4. How would your organization see faster results and greater trust if the negative effects of hierarchy were eliminated?**