

8

Strengthen Others

Sharing Power and Information

Share information so your employees can see how to help—and they'll improve the business.

—ANTONIO ZARATE
Coordinator of the Guiding Team
Metalsa

If citizens are to take responsibility for governing, says Sunne McPeak, they must first be empowered. As president and CEO of the Bay Area Economic Forum and a former member of the Contra Costa County (California) Board of Supervisors, McPeak takes great pride in the large number of her constituents who continue their participation in local government activities long after their direct involvement with her. McPeak knows that when coalitions of highly diverse interests (such as growers and environmentalists in the Coalition to Stop the Peripheral Canal, which she co-chaired) come together, it's impossible for them to reach consensus and forge commitment unless they're provided with the skills and knowledge needed to make good judgments. For McPeak, keeping people

informed, developing personal relationships among the participants, involving people in important decisions, and acknowledging and giving credit for people's contributions are essential to any process for reinventing government.

We find that, like McPeak, exemplary leaders make other people feel strong. They enable others to take ownership of and responsibility for their group's success. Long before *empowerment* was written into the popular vocabulary, credible leaders knew that only when their constituents felt strong, capable, and efficacious could they ever hope to get extraordinary things done. Constituents who feel weak, incompetent, and insignificant consistently underperform, they want to flee the organization, and they're ripe for disenchantment, even revolution.

People who feel powerless, be they managers or individual contributors, tend to hoard whatever shreds of power they have. Powerless managers, for example, tend to adopt petty and dictatorial styles. Powerlessness creates organizational systems in which political skills are essential and "covering yourself" and "passing the buck" are the preferred modes of handling interdepartmental differences.¹

When constituents have very little power, those in positions of authority can easily get people to follow orders. Under such circumstances, authority figures often attribute other people's behavior, no matter how good it is, to their own orders rather than to constituents' abilities and motivations. Stanford University researcher Jeffrey Pfeffer has found that "if behavior occurs in the presence of a great deal of external pressure—either positive in the form of monetary inducements or negative in the form of threats and sanctions—people are likely to conclude that the external forces both caused the behavior and were, in fact, necessary to produce it."²

The most insidious thing about external control is that it actually erodes the intrinsic motivation that a person might have for a task. In other words, even the constituents begin to assume that only outside forces will compel them to do anything. And yet intrinsic motivation is essential to getting extraordinary things done. When people do things because they're told to, not because they want to, they don't perform at their best. Thus reliance on external power and control—whether by the authorities or the members—over time diminishes the capacity of individuals and organizations to excel.

This phenomenon was cleverly documented in one experiment involving small workgroups. Employees in some workgroups were allowed to influence decisions about their work (were made powerful, in other words), while those in other workgroups were not (were made powerless). The managers of the powerless groups routinely complained that their employees weren't motivated to work hard. These managers saw their workers as unsuitable for promotion and downplayed their skills and talents, and they evaluated the work output of their employees less favorably than did the managers of powerful workgroups. In fact, the actual output of both groups was roughly equivalent; it was the lack of employee opportunity to exercise influence that caused the managers to see their groups as poor performers.³

The opportunity to create a climate where people are involved and important is at the heart of strengthening others. To create this climate, leaders use power in service of others, not in service of their own private interests.

Power in Service of Others

To get a better sense of how it feels to be powerless as well as enabled, try this exercise to clarify your own experiences: Take out a piece of paper and divide it into two columns. Label the left-hand column "Powerless Times" and the right-hand column "Powerful Times." Now think about work-related times when you felt powerless—weak, insignificant, like a pawn in someone else's chess game. Record the actions or situational conditions that contributed to your feelings of powerlessness. Once you've recorded a few examples of powerless times, turn your attention to those times you felt powerful—strong, efficacious, like the creator of your own experience.⁴ Record the actions or conditions that contributed to your feelings of powerfulness.

Representative statements that we've received in response to this task in our workshops are shown in the list that follows. See how these compare to your own experiences:

Powerless Times

- I had no input into a hiring decision of someone who was to report directly to me. I didn't even get to speak to the candidate.
- People picked me apart while I was making a presentation, and the champion of the project didn't support me.
- I was told I couldn't ask questions because I lacked the appropriate educational level.
- They treated us like mushrooms. They fed us and kept us in the dark.
- I interviewed job candidates and then got no feedback on the results.
- I worked extremely hard—long hours and late nights—on an urgent project, and then my manager took full credit for it.
- My suggestions, whether good or bad, were either not solicited or—worse—ignored.
- The project was reassigned without my knowledge or input.
- I couldn't get answers to my questions.

Powerful Times

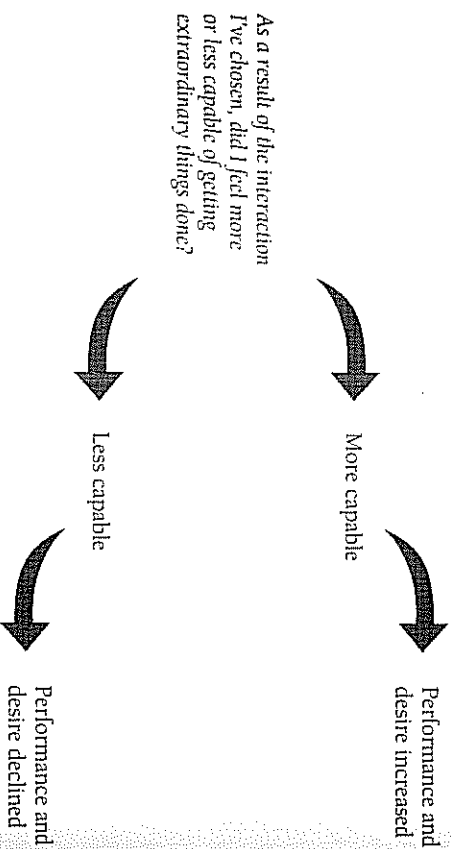
- I was able to make a large financial decision on my own. I got to write a check for \$200,000 without being questioned.
- I was asked to take on a project for which I didn't have the experience. I was told, "I know you'll be successful."
- My president supported my idea without question.
- After having received a memo that said, "Cut travel," I made my case about why it was necessary to travel for business reasons; and I was told to go ahead.
- I was five years old, and my dad said, "You'll make a great mechanic one day." He planted the seed. Now I'm an engineer.
- I wanted to put a new program into effect, but we'd reached the funding limit so my project was rejected. I went to a meeting with the president and asked him to take another look at the project. He did, turned to the VP and said, "Fund it."
- I got lots of helpful and useful suggestions without being criticized.
- All the financial data were shared with me.

As we examine powerless and powerful times, we're struck by one clear and consistent message: *feeling powerful—literally, feeling “able”—comes from a deep sense of being in control of our own lives.* When we feel able to determine our own destiny, when we believe we're able to mobilize the resources and support necessary to complete a task, then we persist in our efforts to achieve. But when we feel we're controlled by others, when we believe that we lack support or resources, we show no commitment to excel (although we may comply).⁵ Thus any leadership practice that increases another's sense of self-confidence, self-determination, and personal effectiveness makes that person more powerful and greatly enhances the possibility of success.⁶

Test this principle by thinking about a recent interaction with someone who attempted to influence you. Then, with that person and encounter clearly in mind, ask yourself this question: Did you feel more capable and therefore persist in your efforts to succeed? Or did you feel less capable and find your performance slumping? (See Figure 8.1.) Now apply the same test to your own attempts to lead others and consider the results.

Leaders' capacity to strengthen and empower others is naturally influenced by the power that they hold. Leaders' personal power can come from several sources:

Figure 8.1. Examining Interactions.



- Interpersonal competence—the ability to communicate and persuade
- Technical knowledge, skill, and expertise
- Years of experience
- Connections to influential people or to needed resources
- Position and the capacity to dispense rewards and punishments⁷

And what makes constituents feel powerful? Not admiration of leaders' power, certainly. People don't feel strong just because someone else feels strong; they feel efficacious and capable only when they have power themselves. Thus leaders have a choice: they can use their power in service of others, or they can use it for purely selfish ends; they can give their own power away to others, or they can hold onto it for themselves.⁸ Credible leaders choose to give it away in service of others and for a purpose larger than themselves. They take the power that flows to them and connect it to others, becoming power generators from which their constituents draw energy.

We've identified five leadership essentials for sharing power—what we consider imperative for strengthening others:

- Ensuring self-leadership
- Providing choice
- Developing competence
- Assigning critical tasks
- Offering visible support

By using these keys, leaders significantly increase constituents' belief in their own ability to make a difference.⁹

Ensuring Self-Leadership: Putting People in Control of Their Own Lives

Credible leaders accept and act on the paradox of power: *we become the most powerful when we give our own power away.* We were reminded of that paradox by retired Major General John Stanford, now the county administrator for Fulton County (outside Atlanta). When we first interviewed him

at the U.S. Army's Military Traffic Management Command, he told us that "we don't get our power from our stars and our bars. We get our power from the people we lead." It's not exactly what you'd expect to hear from an Army general, yet Stanford's observation is precisely the attitude required of leaders who hope to strengthen others. But traditional thinking promotes the archaic idea that power is a fixed sum: if I have more, then you have less. Naturally, people with this view hold tightly to the power that they perceive is theirs and are extremely reluctant to share it with anyone. This notion is wrongheaded, however, and clearly inconsistent with all the evidence on high-performing organizations.

Among the most extensive and systematic programs of research on organizational power and influence was that of Arnold Tannenbaum and his colleagues at the University of Michigan's Institute for Social Research. Their research was carried out in a variety of public and private organizations in the United States and abroad and has included hospitals, banks, unions, factories, and insurance companies. A vital lesson that they've learned—and one that all leaders should take to heart—is this: the more people believe that they can influence and control the organization, the greater organizational effectiveness and member satisfaction will be.¹⁰ Shared power results in higher job fulfillment and performance throughout the organization.

We discovered this ourselves in an investigation into why some branch offices of a nationwide insurance company were more effective than others.¹¹ Senior home-office management, familiar with the performance of the branches, identified ten branch offices as high performers and another ten as low performers. These designations were highly correlated with various financial variables (for example, profit, growth, and expense control) and with self-ratings by people within the branch offices. After careful consideration of financial factors, environmental factors (for example, location), and managerial factors, we found that employee power—the sense of being able to influence what was going on in their own offices—was the most significant factor in explaining differences between high- and low-performing branch offices.

All the people in that study recognized the authority that comes with position. Power in the various branch offices was still distributed across hierarchical levels in a typical fashion: people at every level of the organization had more total power than did the people at the level below them.

Despite the uniformity of this hierarchy, the total amount of perceived power in the high-performing branch offices was greater at every level than it was in the low-performing offices.

The leaders in the more successful branch offices understood, and acted on, the concept that "power is an expandable pie." They knew that power isn't a zero-sum commodity, requiring that for others to have more, the leader must have less. They knew that the more everyone in the organization felt a sense of power and influence, the greater the members' ownership of and investment in the success of the organization would be. Acceptance of this concept within an organization leads to greater reciprocity of influence: the leader and the constituent are willing to be mutually influenced by one another, and everyone's level of influence increases.

When leaders share power with others, they're demonstrating profound trust in and respect for others' abilities. Leaders create a covenant when they help others to grow and develop, and that help is reciprocated. People who feel capable of influencing their leaders are more strongly attached to those leaders and more committed to effectively carrying out their responsibilities. They own their jobs.

The leader who is most open to influence, who listens, and who helps others is the leader who is most respected and most effective—not, as traditional management myth has it, the highly controlling, tough-guy boss.¹² By showing respect, leaders build up credit that can be drawn upon later when they ask constituents to stretch for ever-higher levels of performance. Furthermore, when leaders know what other people want and are sensitive to their needs, they can make assignments that effectively match people's talents with job demands. Under these circumstances, others are less likely to resist direction and more likely to accept it.¹³

BELIEVING IN OTHERS

The importance and potential benefits of believing in others are well demonstrated in the success of Kim Greer's team in the face of an enormous challenge. Greer was vice president of property services at Household Credit Services (HCS) when the company announced its plan to launch a co-branded credit card with General Motors. The GM Card was to be launched within nine months and was expected to more than double the company's customer base of four million within the first year.

Every department at HCS would need to hit the ground running to meet the deadline, and *everyone* would need more staff. It was up to Greer and the property services staff to provide the space and workstations to accommodate the anticipated rapid and explosive growth in personnel in a facility that was already stretched at its seams.

Yet Greer knew the team was ready for the challenge: "We knew that we were going to have a problem long before senior management thought to tell us to do something about it. We have a better idea of what staffing it takes to do a certain volume of business. . . . We see it more globally. We knew what it was going to take to handle the business."

According to Greer, his team developed the only viable solution: "The key for me was getting everyone [on the property services staff] involved from the start, with input into developing and evaluating the alternatives. All I did was ask these questions: What problems will we have? And what can we do to best implement the best alternative? Everyone had to come up with what it would take from their areas to do each alternative and what the timeline and costs would be. By the time we finished, they all knew what the only viable alternative was. I didn't have to tell them."

After weighing a number of alternatives, the property services staff realized that downsizing the existing management workstations was the only way to provide the space needed and keep the departments together. It would be a complicated process, requiring the full buy-in and support of those involved. In fact, this solution was perhaps the most difficult to execute of the alternatives considered; however, the property services staff concluded that it would best serve the needs of the company.

Because Greer believed that a leader shouldn't need to tell talented people how to do their jobs, he simply made sure that staff members tackling the downsizing were all organized, on schedule, and headed in the same direction. In reviewing his role in the project, Greer emphasized the importance of trusting his staff: "After the alternatives were well defined, I knew what it meant and what we would have to do. There were no surprises. The team said that we would have to do this on weekends; it was their idea and decision. They dictated the schedule, the hours, the days. I also made it their responsibility to figure out how to get everyone else [in other departments] involved. . . . I stayed out and let them assume responsibility. It was the only way."

Trusting and respecting the talents of others are skills that appear to

come naturally to Greer, as his philosophy regarding staff direction reveals: "I make sure to give the freedom to do it their own way, even if it's not the way I would do it."

Although Greer chose not to directly control the project, he felt that it was important that he control the process: "I insist on complete communication between team members and [insist] that timelines and deadlines are met. My role is to intervene, whether behind the scenes or by bringing people together to work it out, when teamwork isn't happening. It's important to recognize problems immediately and resolve them, or they will inevitably get worse. Little problems become huge personality conflicts. I cannot let that happen."

Greer stayed in close communication with key staff members, giving support and feedback—though without any formal meetings. According to Christin (Missy) Stockton, the facilities planner who worked on the project, Greer "gives us a lot of freedom in making decisions. There's a lot of trust. He says funny things like 'If you think it's OK, then it's probably right.' What's nice for us is that he gets very involved in the design—yet you never feel controlled; he's very hands off. It's essential that he knows and understands the details. He'd often come by at the end of the day to see what was happening and make suggestions. But then he'd always say, 'You should do what you want.' We knew what he meant and where we stood. It made it easier to work."

Stockton felt that Greer's unshakable faith in team members' abilities was one of the major reasons for the success of the project. According to Stockton, "The entire project was one gigantic risk. No one talked about what would happen if it didn't work; we all believed it was the only way." After describing the monumental tasks involved in nearly doubling the number of workstations and keeping productivity losses to a minimum during the transition, Stockton acknowledged that Greer's "biggest job was just getting us all to believe that it would really be fine. I figured that he knew better than we did, so I believed we could do it too."

And do it they did. Thanks in large part to the efforts of those in property services, the launch of the GM Card has been called the most successful introduction in the history of the credit card industry. It skyrocketed HCS from the tenth- to the fifth-largest credit card company in the nation. Greer believed in others, and they in turn came to believe in themselves. A synergistic and circular process, such as that demonstrated in the

Greer case, is created as power and responsibility are extended to others and as people respond successfully. As constituents increase their competencies, even further amounts of power and responsibility can be extended. As more responsibility is assumed by constituents, leaders can expend more energy in other areas, enhancing their own sphere of influence and bringing additional resources back to their units to be distributed once again among the group members.

SHOWING SENSITIVITY TO OTHERS

Exercising the positive face of power and making others feel strong requires a great deal of sensitivity to others. Although it's impossible to imagine someone who doesn't intrinsically value being empowered, every employee's empowerment needs are different. Just listen to what Russell Barnett, proprietor of Russell Marketing in Western Australia, has to say: "Most leaders fail or succeed on their ability to know and understand the people they work with. You get the results of your efforts through other people, so you have to be very sensitive to each person and to their particular needs."

The positive regard for individuals that Kim Greer exhibits has won him the respect and loyalty of his staff. In discussing a recent project, Ron Hasse, one of Greer's direct reports, recalls, "It would have been easy to . . . not get input from the users. But Kim wouldn't go that way. He wanted to be sure that everyone felt they had some control over their destiny. It was important to me that he felt that way; that no one would feel diminished by the change."

Researchers from the Center for Creative Leadership have substantiated the importance of sensitivity. "Insensitivity to others" is cited in their studies as the primary reason why successful executives tumble off the track to the executive suite.¹⁴ These researchers note that the ability to understand other people's perspectives is the most glaring difference between executives who make good and those who derail. Other "fatal flaws" include aloofness and arrogance, betrayal of trust, and overmanaging (or failing to delegate and build a team).

Studies of unsuccessful executives portray these people as loners—managers who prefer to work independently, who are highly critical of

their staff, and who are unwilling to share control of projects and problem solutions. Unsuccessful executives generally view team participation and discussion as a waste of time and have poor interpersonal skills, according to these studies; they're ill at ease with others, frequently making insensitive and undiplomatic remarks, and they look on other people with a great deal of mistrust.¹⁵

Managers who focus on themselves and are insensitive to others fail, because there's a limit to what they can do by themselves. Those leaders who succeed realize that little can be accomplished if people don't feel strong and capable. In fact, by using their own power in service of others rather than in service of self, successful leaders transform their constituents into leaders themselves—and wind up with extraordinary results.

Providing Choice

Leaders actively seek out ways to increase choice and provide greater decision-making authority and responsibility for their constituents. Brian Baker, a family-practice physician and colonel in the U.S. Army, demonstrated these behaviors when he took over as hospital commander of Raymond Bliss Army Community Hospital located on Fort Huachuca near Tucson, Arizona. Upon his arrival at what he was told was the "most problematic hospital in the Army," Baker found a group of talented people in disarray and an organization with low morale, a set of rigidly followed institutional rules, and a high degree of conflict between doctors and nurses. He also found a stunningly unfavorable accreditation report by the Joint Commission for the Accreditation of Hospital Organizations (JCAHO). The JCAHO findings threatened to harm the military career of nearly everyone on staff. There was no vision, no camaraderie—only fear, hostility, and conflict. Yet within two years under Baker's leadership, the hospital reduced its more than twenty Category One deficiencies (the most serious) to just two (one was a physical/structural problem related to the age of the building; the other was due to staffing shortages caused by Desert Storm) and came "within inches" of receiving an exemplary rating, the JCAHO's highest score—all without a single change in personnel. Baker

didn't fire anyone, nor did he reassign or significantly change anyone's job.

What Baker *did* do was listen, mentor, and fundamentally change the culture and the decision-making process at the hospital. Baker believed that in order to lay the foundation of the rebuilding process, he needed to restore his staff's sense of self-esteem as the first challenge. To that end, Baker held a series of meetings in rapid succession designed to allow him to meet and communicate openly with all of his constituents. No one's supervisor was allowed at these meetings: Baker wanted to ensure open and honest discussion. Baker promised that he would take no direct action as a result of the meetings, nor would he discuss what was said with anyone. He explained his philosophy of participatory and supportive (versus directive) management at these meetings and explained that he wanted to understand them and the hospital so that he could help them with any problems they felt existed. These meetings set a tone of openness, genuine concern, and trust that was key to ultimately restoring the organization's belief in its ability to succeed.

As for the JCAHO requirements, Baker always believed it was just a matter of educating an already very bright staff:

All I had to do was point them toward the data and explain how important it was that we did what JCAHO required. That's why we're here. Not to tell these people *what* to do but to make sure they *understand* what needs to be done, understand *how* to do it, to support them as they do what they've told us needs to be done, and finally to coordinate the different groups so we get them working together on common goals. You can't just tell them to go out and do a monumental task if you aren't sure they really know what exactly needs to be done. So you ask lots of questions to guide their thinking—you ask, "How are you going to do this and such"—but you never assume control of the issue. They own it, not you. You coach and you mentor, but you make them decide and act. If it's their plan, they're more likely to make it happen. I helped add what I consider the most important ingredient: mutual respect and a feeling of togetherness. After that, everything just came together. That's what I'm the most proud of: we developed a culture of caring.

In organizations, we generally think of power as the control over valued resources.¹⁶ The more control over important resources someone has, the

more powerful. As Baker's case shows, however, the key to unleashing the organization's potential to excel is putting that power in the hands of the people who perform the work.

For proof of the importance of this shift, we look first to social psychologists who have studied the impact of giving people power. In one study, Connecticut residents in a state-run nursing home were given the responsibility for making seemingly trivial environmental choices, such as when to see a movie or how to arrange their rooms. General health and psychological well-being improved with that responsibility, and death rates were 50 percent lower than for a comparison group that had been informed that it was management's responsibility to keep them well.¹⁷ This outcome suggests that the energy that can be unleashed as a result of giving people power is life-sustaining: *control over your destiny can save your life!* In the long run, it can also save the life of your organization. As we've seen time and again, a sure way to sink an organization in the turbulent seas of the changing economy is to centrally control the resources. The former Communist economies amply demonstrate the folly of hoarding power at the center.

In support of this principle, Harvard Business School professor Leonard Schlesinger and his colleagues have found that the supervisory behavior that most accounts for both job satisfaction and service capability is "latitude given to meet customer needs." The second-ranking variable is having "authority to serve the customer."¹⁸ People will provide more responsive service and go the extra mile for the customer when they believe they have the discretion and authority to do so.

Providing choice and latitude are major contributors to enhancing people's sense of personal well-being and increasing their effectiveness.¹⁹ In her studies of the relative power of particular jobs, professor Lisa Mainiero of Fairfield University found that frustration, panic, and a sense of helplessness—all demotivating experiences—result from being in work situations that create a dependence on others to get things done.²⁰ Not only does dependence on others create intense feelings of powerlessness; it also leads to acquiescence. Employees in powerless situations give in to authority and stop taking initiative. This, says Mainiero, can lead to "learned powerlessness" and continued acquiescence over time.²¹ We come across learned powerlessness often, revealed in complaints from managers about people who don't want increased responsibility or would

rather just be told what to do. But the fault lies in the jobs themselves rather than in the employees: certain jobs foster helplessness and dependence. Independent judgment and action can come only when tasks offer the opportunity for people to think and make choices for themselves.

If leaders want higher levels of performance and less dependence, they must be proactive in designing work that allows people discretion and choice. Having discretion and choice means being able to take nonroutine action, exercise independent judgment, and make decisions that affect how we do our work without having to check with someone else.²² It means being creative and flexible—liberated from a standard set of rules, procedures, or schedules.

It means having more broadly defined jobs: while narrow job categories confine choices, broader ones permit increased flexibility. Those who hold broadly defined jobs have opportunities to use discretion, because they have more choice about *how* to accomplish the assigned objectives. The shift to fewer job classifications in large organizations is a clear sign that breadth is essential to rapid response. In fact, the old notion of work as a collection of "jobs" is being replaced by the more expansive concept of work as a series of "projects."²³ This restructuring allows people more space in which to maneuver in today's turbulent economy.

Having discretion and choice also means more freedom of movement and contact. The requirement that people go through multiple managerial layers and sign-offs to get a decision is disabling—and wasteful of time, money, talent, and motivation. That requirement also loses customers. Only increased contact among the people who make the product or provide the service and those whose resources or support they need will increase capacity and responsiveness.

In the dynamic environment of contemporary organizations, only adaptive individuals and organizations will thrive. To create increasingly adaptive systems, leaders must support more and more discretion to meet the changing demands of customers, clients, suppliers, and other stakeholders. With increased discretion comes an increased ability to use and expand our talents, training, and experience. The payoff is improved performance.

The Hampton Inn chain of hotels has seen the benefits of giving employees discretion. With their "100% Satisfaction Guarantee," they've removed the invisible wall of institutional regulations that often prevents employees from doing what they know is the right thing for the customer.

If any Hampton Inn customer isn't satisfied, it's understood that he or she won't pay. The effect on morale and motivation has been incredible, according to president and CEO Ray Schultz. Employees can provide the service they feel is necessary to satisfy the customer with no fear of reprimand—and they feel a part of the team.

Choice fuels our sense of power and control over our lives. Yet if we don't have the knowledge, skills, information, and resources to do our job expertly, if we don't feel competent to skillfully execute the choices that we make, we may feel overwhelmed and disabled. This result is just the opposite of what leaders are trying to achieve. Thus choice is necessary but insufficient.

Developing Competence

Springfield Remanufacturing Corporation (SRC) provides an example of the importance of competence. Read the following statements made by SRC employees and guess who made each:

- "Cash flow is projected to increase by \$20,000 this month."
- "If we watch our material usage variance we could very well end the month making a profit large enough to qualify everyone for a bonus!"
- "Our labor figures are right on target."
- "Operating income for the month was \$88,000, which represents a 3.4 percent return on sales."²⁴

You may have guessed the controller, the production manager, the vice president of human resources, and the chief financial officer, respectively. These are sensible guesses, likely to be true in most businesses. But not at SRC. Each of these comments was made by a frontline employee.

Tradition suggests that only people with at least a master's degree in business administration or people in specialized roles can talk and think in these terms. But Jack Stack, president and CEO of SRC, felt he couldn't afford to make such an assumption. Back in 1983, when Stack was the manager of the plant, he was ordered by International Harvester to sell the factory or shut it down. He decided to see if the employees would buy it instead.

Stack succeeded, but after an extraordinary gamble. SRC managed to raise only \$100,000 from employees against a loan of \$8.9 million. That made it the highest leveraged buyout in corporate history: eighty-nine parts debt to one part equity. Stack believed that the only way to pull off the turnaround was to teach everyone what he calls "the Great Game of Business."²⁵

At the heart of the Great Game, says Stack, is this proposition: "The best, most efficient, most profitable way to operate a business is to give everybody in the company a voice in saying how the company is run and a stake in the financial outcome, good or bad."²⁶ Critical to winning the Great Game is investing an extraordinary amount of time and energy in making every employee business-literate and then regularly sharing with employees information on the financial performance of the company:

"This experience," says Stack, "has convinced me that financial education of the workforce—we call it open-book management—is the key to extraordinary and sustained success. . . . Everyone at SRC, including the clean-up crew, knows how to read our balance sheet. Everyone understands how they personally affect the income and profitability of the company. They know where we are in terms of cash flow, how we generate it, and how we spend it."²⁷ At SRC, 86 percent of the training budget is spent on educating everyone to be a businessperson.

And what a success it has been. Since the buyout in 1983, SRC has experienced the following:

- An increase of over 23,000 percent in corporate stock values
- An absence of layoffs and a current workforce of over 750 people
- Sales growth exceeding 30 percent per year
- Employee education averaging an additional two years after hiring

And as if these numbers aren't impressive enough, sales for 1995 are expected to be \$104 million (versus the first year sales of \$16 million).

Stack and SRC are pioneers in open-book management. Their trailblazing efforts are attracting many others—from small and mid-sized businesses (such as Commercial Casework and Chesapeake Packaging Corp.) to large ones (such as Corning, Allstate Business Insurance, Manco, and Sprint)—to the method. The related practices of teaching everyone to become a businessperson and sharing business information regularly are the next stage in enabling people to act.

As we've learned from studying personal bests, leaders invest in developing people's skills and competencies. Leaders know that if people are to feel strong, they must develop their capacities. They also know that if people don't have important opportunities to put those talents to good use, they'll wind up frustrated. To strengthen others, leaders place their constituents, not themselves, at the center of solving critical problems and contributing to key goals.

Assigning Critical Tasks

People who are most central to solving the organization's crucial problems and ensuring the company's long-term viability have the most power. This is especially true when their particular resources are critical and in short supply.²⁸ In our case studies of personal bests, people talked of confronting critical organizational issues—whether improving quality, reducing manufacturing start-up times, changing customer perceptions, improving literacy rates, reengineering core agency processes, increasing access to acute care, creating a new food distribution system, or mobilizing legislative initiatives. Although it may seem obvious that we do our best when the work is critical to success, this principle is often lost in the day-to-day design of work.

It isn't lost, however, at Chaparral Steel Company, a minimill operation thirty miles outside of Dallas. Research and development is a critical task for any organization; at Chaparral Steel, R&D is brought out onto the factory floor. "We make the people who are producing the steel responsible for keeping their process on the leading edge of technology worldwide," explains Gordon Forward, president and CEO. "If they have to travel, they travel. If they have to figure out what the next step is, they go out and find the places where people are doing interesting things. They visit other companies. They work with universities."²⁹ This authority and power is bound to make people feel more involved and important.

What's critical to an organization is dynamic and ever-changing, of course. What's central this year may be peripheral the next. Who would have predicted ten years ago that frontline employees would be reading financial statements today? Not many of us, but Jack Stack did—and he acted on it. Now we take it for granted that frontline people should know

statistical process control, be computer conversant, and be business-literate. As these examples illustrate, changes in the economic, social, and political environment affect the relative importance of tasks and abilities. As we're faced with increasing global competition, international experience will become more highly prized. As alliances become more common, the ability to form and sustain partnerships will become more important. Forward-looking leaders will always scan the horizon for the next wave of critical tasks and educate themselves and their constituents accordingly. In developing our own and our constituents' abilities to remain relevant and important in the future, we need to remember that one's ability to execute important tasks depends upon three factors:

1. Being able to supply the resources that a unit needs, whether money, materials, staff, or time.
2. Having information, being "in the know."
3. Having the peer, managerial, and organizational support necessary to work at full capacity.³⁰

Given these factors, we then ought to ask the following questions:

- How can I give people more control over the resources they need to do their work?
- How can I make sure people are connected to the information they need, whether it's an electronic connection or a human connection?
- How can I make sure that I personally offer or acquire the support that people need to do the very best that they can?

Whatever answers we come up with to these questions, we must then act on those answers in order to make others feel more powerful and effective.

Offering Visible Support

Unfortunately, as many new organizational members soon discover, simply doing a good job isn't enough to gain influence. Power doesn't flow to unknown people; becoming powerful requires getting noticed. Visibility is

a precursor to access and recognition and is key to the formation of strategic alliances.³¹

Major General John Stanford demonstrated his dedication to increasing the visibility of his colleagues when he spoke at one of our workshops. From the back of the room, we noticed that Stanford had picked up someone else's nametag and put it on his uniform. At the end of his one-hour presentation, as he was about to step down from the podium, he pointed to the nametag and said, "My aide-de-camp Albert A. A. Cartenuto III couldn't be with me today. I hope I represented him well." We then realized that Stanford had intentionally picked up Cartenuto's nametag so that he could later give visibility to Cartenuto and acknowledge his contributions. His was a conscious leadership act, requiring caring and attention.

On another occasion, we had the opportunity to work with the people in Stanford's civilian and military command. During one training exercise, we sent some groups off to complete an assignment. Each group was to come back with a summary report written on newsprint (large chart paper). Stanford went off with one group, which included his aide, Cartenuto. When it came his group's turn to report, Stanford marched to the front of the room accompanied by Cartenuto, who was carrying a rolled-up sheet of newsprint under his arm. Instead of holding the newsprint, as his role might have dictated, Cartenuto unfurled the sheet and handed it to Stanford. The general stood like an easel while Cartenuto gave the group's report. Stanford often made gestures of support similar to these. It's no wonder that Cartenuto says of Stanford, "He's the greatest."

Leaders who want to strengthen their constituents ensure that they're highly visible and that individual and group efforts get noticed and recognized. Another way to show support is to connect individuals to other important people. There's a lot of wisdom in the saying, "It's not what you know but who you know that counts." Making connections and building strong relationships is empowering. It helps people to more easily get in contact with others who can help them accomplish their tasks. This networking is the grease that often smooths the way through interdepartmental boundaries and territorial disputes. Relationships that are durable and require frequent interactions also provide incentives for people to assist and support one another.

At furniture-maker Herman Miller, this empowering process is referred to as "theory fastball." As Max De Pree, chairperson, explains, "In the process of work many of us are outstanding pitchers, able to throw the

telling fastball, but it is also true that those pitchers can only be effective if there are many of us who are outstanding catchers."¹²

Visibility is also enhanced when leaders keep their team members in contact with people outside of their department—for example, by placing people on task forces and committees whose members come from across the organization or by encouraging active participation in professional and community groups. By providing others with access to senior executives, fostering outside contacts, and developing and promoting people with promise, leaders help build those critical relational networks.

Committing to the Challenge: Acting on the Paradox of Power

Leaders are motivated to use their power in service of others because capable and confident people perform better. Strengthening others is essentially the process of turning constituents into leaders themselves—of making people capable of acting on their own initiative. Leaders strengthen others when they give their own power away, when they make it possible for constituents to exercise choice and discretion, when they develop competence to excel, when they assign critical tasks, and when they offer visible support. In the following commitment, we offer specific actions you can take to strengthen your constituents.

Commitment Number 6

Strengthen People by Giving Power Away, Providing Choice,
Developing Competence, Assigning Critical Tasks,
and Offering Visible Support

► Increase the return on your square footage.

You needn't show off or tell other people how powerful and influential you are. The thick carpet, the huge desk, and the price tag on the art are unne-

essary displays of importance. Consider leaders such as Gandhi and Mother Teresa, and you can see that there's no connection between possessions and making a difference. In fact, in *Fortune* magazine's study of the "return on square feet" of CEO's offices, the winner was Andy Grove, whose office is a cubicle, just like everyone else's at Intel.¹³

Instead of decorating the office with symbols of power, decorate yours with personal mementos that say something about your interests, your family, your uniqueness. Besides the curiosity they generate, such mementos reflect your personality. Use your unique environment to tell a story about you. It really is you, after all, that people are following—not the title or the position. At Manco, Inc.—maker of Duck® Tape and other consumer products—the walls are lined with inspirational quotes. In fact, over every office door is a quotation reflecting the officeholder's philosophy. For chairman and CEO Jack Kahl, it's a quote from Socrates: "One thing only I know, and this is that I know nothing." For president and COO Tom Corbo, it's "The customer is king."

► Enlarge people's sphere of influence.

At the Ritz-Carlton Hotels, a winner of the Malcolm Baldrige National Quality Award, associates at the registration desk have the latitude and authority to correct an error of up to \$2,000 without checking with a manager. We know many managers who don't have that kind of signature authority. If you really want people to feel more powerful (and personally responsible), try these steps:

- Substantially increase signature authority at all levels.
- Remove or reduce unnecessary approval steps.
- Eliminate as many rules as possible.
- Decrease the amount of routine work.
- Increase employee flexibility regarding processes.
- Assign nonroutine jobs.
- Support the exercise of independent judgment.
- Encourage creative solutions to problems.
- Define jobs more broadly—as projects, not tasks.
- Reduce the number of job classifications.
- Provide more freedom of access, vertically and horizontally, inside and outside.
- Open the doors and facilitate freedom of movement.

Remember that acquiescence increases with dependence on others and can result in learned powerlessness. For people to feel and act enabled, they have to have "space" in which to maneuver and the necessary resources to perform autonomously. That means materials, money, time, people, and information. And remember: there's nothing more disempowering than to have lots of authority to do something but nothing to do it with.

➤ **Make sure delegated tasks are relevant.**

People's increased sphere of influence ought to be over something relevant to the pressing concerns and core technology of the business. Choosing the color of the paint may be a place to start, but you'd better give people influence over more substantive issues as well:

- If quality is top priority, find ways to expand people's influence and discretion over issues of quality control.
- If innovation is a priority, increase people's influence over the development of new products, processes, or services.

Assess the critical tasks and issues in your organization and then make sure that your constituents are well represented on the task forces, committees, teams, and problem-solving groups dealing with them. If you're on one, make sure you take a key constituent or two with you to meetings.

➤ **Educate, educate, educate.**

When you increase the latitude and authority of your colleagues, you also have to increase expenditures on training and development. Successful quality programs, for example, all have in common the fact that the group members receive training in basic statistical measurement methods, group communication skills, and problem-solving techniques. "The Great Game of Business" at SRC works because people have been trained to read financial statements. Without education and coaching, people are reluctant to exercise their authority, in part because they don't know how to perform the critical tasks and in part out of fear of being punished for making mistakes.

You don't have to spend megabucks to have good training. In the early days at Solectron, the high-technology service manufacturer, we were on

the road early to make a seven o'clock gathering of company managers. The first half-hour of the meeting was for reporting the quality numbers from the day before; the second, for learning something about management, finance, marketing, quality, communications, or other relevant topics. Founder and chairman Winston Chen was dedicated to education and information sharing—and years later, the efforts paid off for this winner of the Malcolm Baldrige National Quality Award.

➤ **Organize your own "great huddle."**

When Everett T. Suters of the Suters Group was CEO of a small but rapidly growing southwestern company, he learned just how important information sharing is. Everyone was putting in long hours and giving enormous effort, but Suters began to pick up on innuendos that seemed to say, "We're doing the work, but you're getting most of the credit and all of the money." He was irritated by these comments, because he didn't believe that what people were implying was true, so he called together the management team. He asked team members to write down what the company profits were and how much money they thought he was personally making. Suters was amazed: everyone had guessed much too high on both counts. So he passed out copies of the company's financial statement, went over it line by line, and indicated how much money was going to be needed to finance future growth. Everyone started asking questions and requesting more information. Suters could see people becoming "as interested in all facets of the company as I was." One manager told Suters some time later, "If I had to tell you in one sentence why I am motivated by my job, it is because when I know what is going on, and how I fit into the overall picture, it makes me feel important."⁵⁴

Have regular "great huddles" and chalk talks to keep people informed about your organization's performance. The more that people know about what's going on in the organization, the better off you'll be. Without information, people won't extend themselves to take responsibility; armed with information, people's creative energies can be harnessed to achieve extraordinary results. Information empowers people, strengthening their resolve and providing them with the resources they need to be successful.

► **Make connections.**

Being connected to people who can open doors, offer support and backing, provide information, mentor and teach, and add to one's reputation increases power. You can increase your own power by forming strategic relationships, and you can strengthen others in the same way. Take the time to introduce the staff in your organization to the people they need to know. Get them access to influential others. Take members of your staff to important meetings, business lunches, and customer organizations. Find ways to connect them to sources of information.

Of all the tools within reach of leaders, the most valuable may be the Rolodex. It's the place we keep our network of connections. Whether you keep yours electronically or manually, it's as essential to your interpersonal influence as your watch is to punctuality. Tom Peters has this to say about it: "Security is proportional to (1) the thickness of your Rolodex, (2) the rate of Rolodex expansion, (3) the share of Rolodex entries beyond the corporate walls, and (4) the time devoted to Rolodex maintenance."³⁵ How would you rate your Rolodex on these dimensions?

While we strongly discourage use of position as a leadership tactic, it's important to keep in mind that people prefer to enlist in causes led by people who are upwardly and outwardly influential. Successful leaders know that it's necessary and important to let others know that they can and will use their power to help people get their jobs done. Ask the people who work for and with you what they need to do their jobs most effectively; then go get it for them. Watch how much more effective they can be when you make these kinds of connections. Notice, too, how much your esteem goes up in the eyes of others.

► **Make heroes of other people.**

The late Wilbert L. Gore, founder and chairperson of W. L. Gore & Associates, told us that one of his skills was "making heroes of other people." If there's one phrase that best expresses the philosophy of strengthening others, that would have to be it. Leaders find ways to shine the spotlight on the achievements of others rather than on their own accomplishments. They make other people the visible heroes and heroines of their organizations. As we've seen, Major General John Stanford did that by wearing the nametag of his aide.

There are hundreds of ways you can incorporate similar actions into your daily routine. Here are just a few:

- Tell people, both inside and outside the organization, about what team members are doing.
- Publicize the work of team members.
- Post pictures of exemplary members.
- Tell stories about people and their achievements in newsletters and advertisements.
- Make references to the team in private conversations and public speeches.
- Send letters of appreciation to key supporters and sponsors.
- Prominently display letters of appreciation from customers about key people.
- Build a trophy case.

We urge you to shine the spotlight on at least one person each day. Find someone doing what you wish everyone else were doing (or doing something that's moving in the right direction). Make that person visible doing critical tasks, and show others that you support him or her. Those steps will increase that person's power and build a stronger bond between you and your constituents.

In the next chapters, you'll see how many of these same approaches to strengthening and empowering others also serve to build people's commitment to action. You'll also read how, in order to build commitment, you must first demonstrate your own commitment through word and deed.

Commitment Number 6

Strengthen People by Giving Power Away, Providing Choice, Developing Competence, Assigning Critical Tasks, and Offering Visible Support

- Increase the return on your square footage.
- Enlarge people's sphere of influence.
- Make sure delegated tasks are relevant.
- Educate, educate, educate.
- Organize your own "great huddle."
- Make connections.
- Make heroes of other people.

Source: *The Leadership Challenge* by James M. Kouzes and Barry Z. Posner.
Copyright © 1995.

PART 5

Modeling the Way

- Challenge the Process
- Inspire a Shared Vision
- Enable Others to Act
- Model the Way
- Encourage the Heart