



The Leader of the Future



**DRUCKER FOUNDATION
FUTURE SERIES**

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Library of Congress Cataloging-in-Publication Data

The leader of the future : new visions, strategies, and practices for the next era / Frances Hesselbein, Marshall Goldsmith, Richard Beckhard, editors.

p. cm.—(The Drucker Foundation Future Series)

Includes index.

ISBN 0-7879-0180-6

I. Leadership. 2. Strategic Planning. I. Hesselbein, Frances.
II. Goldsmith, Marshall. III. Beckhard, Richard, date.

HD57.7.L418 1996

658.4'092—dc20

95-38959

CIP



The Peter F. Drucker Foundation for Nonprofit Management

The Peter F. Drucker Foundation for Nonprofit Management was founded in 1990. Named for and guided by Peter F. Drucker, the acknowledged father of modern management, its mission is to "Help the social sector achieve excellence in performance and build responsible citizenship."

The Drucker Foundation holds the following beliefs:

- A healthy society requires three sectors: a public sector of effective governments, a private sector of effective businesses, and a social sector of effective community organizations.
- The three sectors are interdependent, but each is, and must be, autonomous.
- Each sector has its own mission and its own tasks. Each requires its own competencies. Each needs to concentrate on what it does best.
- The mission of the social sector and its organizations is to identify the needs of the spirit, the mind, and the body of individuals, the community, and society, and to mobilize the energies and resources of the individuals within society and the community so that they can be put to fruitful work to satisfy these needs. It is also the mission of this sector and its organizations to create for the individuals within society and the community a meaningful sphere of effective and responsible citizenship.
- Finally, in American society at the present time, the social sector is the one that has the greatest potential for healthy growth and offers the greatest opportunities for contribution, but it also is the sector that faces the greatest challenges.

Through the provision of educational opportunities and resources to leaders of social sector organizations, the Drucker Foundation aims to inspire and enable those leaders to realize the full potential of their organizations. It pursues these goals through the presentation of conferences, video teleconferences, and the annual Peter F. Drucker Award for Nonprofit Innovation, as well as through the development of management resources and publications for nonprofit boards, staffs, and volunteers.

For More Information: If you would like more information on the Drucker Foundation and its programs and publications, or if you would like to support its work with a contribution, please write, call, or fax the Foundation at the following address:



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Foreword

Not Enough Generals Were Killed

I have been working with organizations of all kinds for fifty years or more—as a teacher and administrator in the university, as a consultant to corporations, as a board member, as a volunteer. Over the years, I have discussed with scores—perhaps even hundreds—of leaders their roles, their goals, and their performance. I have worked with manufacturing giants and tiny firms, with organizations that span the world and others that work with severely handicapped children in one small town. I have worked with some exceedingly bright executives and a few dummies, with people who talk a good deal about leadership and others who apparently never even think of themselves as leaders and who rarely, if ever, talk about leadership.

The lessons are unambiguous. The first is that there may be “born leaders,” but there surely are far too few to depend on them. Leadership must be learned and can be learned—and this, of course, is what this book was written for and should be used for. But the second major lesson is that “leadership personality,” “leadership style,” and “leadership traits” do not exist. Among the most effective leaders I have encountered and worked with in a half century, some locked themselves into their office and others were ultragregarious. Some (though not many) were “nice guys” and others were stern disciplinarians. Some were quick and impulsive; others studied and studied again and then took forever to come to a decision. Some were warm and instantly “simpatico”; others remained aloof even

after years of working closely with others, not only with outsiders like me but with the people within their own organization. Some immediately spoke of their family; others never mentioned anything apart from the task in hand.

Some leaders were excruciatingly vain—and it did not affect their performance (as his spectacular vanity did not affect General Douglas MacArthur's performance until the very end of his career). Some were self-effacing to a fault—and again it did not affect their performance as leaders (as it did not affect the performance of General George Marshall or Harry Truman). Some were as austere in their private lives as a hermit in the desert; others were ostentatious and pleasure-loving and whooped it up at every opportunity. Some were good listeners, but among the most effective leaders I have worked with were also a few loners who listened only to their own inner voice. The one and only *personality trait* the effective ones I have encountered did have in common was something they did *not* have: they had little or no "charisma" and little use either for the term or for what it signifies.

All the effective leaders I have encountered—both those I worked with and those I merely watched—*knew* four simple things:

1. The only definition of a *leader* is someone who has *followers*. Some people are thinkers. Some are prophets. Both roles are important and badly needed. But without followers, there can be no leaders.
2. An effective leader is not someone who is loved or admired. He or she is someone whose followers do the right things. Popularity is not leadership. *Results* are.
3. Leaders are highly visible. They therefore set *examples*.
4. Leadership is not rank, privileges, titles, or money. It is *responsibility*.

Regardless of their almost limitless diversity with respect to personality, style, abilities, and interests, the effective leaders I have met, worked with, and observed also *behaved* much the same way:

1. They did not start out with the question, “What do I want?” They started out asking, “*What needs to be done?*”
2. Then they asked, “*What can and should I do to make a difference?*” This has to be something that both needs to be done and fits the leader’s strengths and the way she or he is most effective.
3. They constantly asked, “What are the organization’s *mission* and *goals*? What constitutes *performance* and *results* in this organization?”
4. They were extremely tolerant of diversity in people and did not look for carbon copies of themselves. It rarely even occurred to them to ask, “Do I like or dislike this person?” But they were totally—fiendishly—intolerant when it came to a person’s *performance*, *standards*, and *values*.
5. They were not afraid of *strength* in their associates. They gloried in it. Whether they had heard of it or not, their motto was what Andrew Carnegie wanted to have put on his tombstone: “Here lies a man who attracted better people into his service than he was himself.”
6. One way or another, they submitted themselves to the “*mirror test*”—that is, they made sure that the person they saw in the mirror in the morning was the kind of person they wanted to be, respect, and believe in. This way they fortified themselves against the leader’s greatest temptations—to do things that are popular rather than right and to do petty, mean, sleazy things.

Finally, these effective leaders were not preachers; they were *doers*. In the mid 1920s, when I was in my final high school years, a whole spate of books on World War I and its campaigns suddenly appeared in English, French, and German. For our term project, our excellent history teacher—himself a badly wounded war veteran—told each of us to pick several of these books, read them carefully, and write a major essay on our selections. When we then discussed

these essays in class, one of my fellow students said, “Every one of these books says that the Great War was a war of total military incompetence. *Why was it?*” Our teacher did not hesitate a second but shot right back, “Because not enough generals were killed; they stayed way behind the lines and let others do the fighting and dying.”

Effective leaders delegate a good many things; they have to or they drown in trivia. But they do not delegate the one thing that only they can do with excellence, the one thing that will make a difference, the one thing that will set standards, the one thing they want to be remembered for. *They do it.*

It does not matter what kind of organization you work in; you will find opportunities to learn about leadership from all organizations—public, private, and nonprofit. Many people do not realize it, but the largest number of leadership jobs in the United States is in the nonprofit, social sector. Nearly one million nonprofit organizations are active in this country today, and they provide excellent opportunities for learning about leadership. The nonprofit sector is and has been the true growth sector in America’s society and economy. It will become increasingly important during the coming years as more and more of the tasks that government was expected to do during the last thirty or forty years will have to be taken over by community organizations, that is, by nonprofit organizations.

The Leader of the Future is a book for leaders in all sectors: business, nonprofit, and government. It is written by people who themselves are leaders with proven performance records. It can—and should—be read as the definitive text on the subject. It informs and stimulates.

The first section of this book looks at the future of organizations and examines the role of leaders in the emerging society of organizations. The second part of the book gives vivid accounts of today’s and tomorrow’s leaders in action. It then turns to look at leadership development strategies, and it concludes with some powerful personal statements from effective leaders.

This is a book about the future. But I hope that it will also be read as a call to action. I hope that it will first challenge every reader to ask, "What in my organization could I do that would truly make a difference? How can I truly set an example?" And I hope that it will then motivate each reader to *do it*.

Claremont, California
October 1995

Peter F. Drucker

This book is dedicated to volunteers

*To the millions of people who donate their time
and effort to help make others' dreams come true*

*To our authors who donated their time
and effort to help make this dream come true*

Preface

This is a book about the future—the future quality of our lives, our businesses, our organizations, and our society—and the leadership required to move us into the exciting unknown. With every day that passes, the beginning of the next century nears. Some of us will edge into the twenty-first century warily, clinging to the past as much as possible. Some will back into the future with trepidation. Some will walk confidently into the future with a tool kit packed full of plans, charts, and blueprints only to find that the tools that have been packed don't quite meet the needs of a new destination. Some of the risk takers among us will take flying leaps into the unknown and cast their lot with fate. The leaders who ultimately will be successful in shaping the future are already scanning far beyond the horizon. This book is for them.

Looking beyond the known requires new mind-sets, new eyes and ears. To help today's executives and managers fathom the future of leadership, we have gathered the best ideas of an amazing array of the best authors, practitioners, consultants, academics, and philosophers. Each author offers a special perspective on leadership and a unique glimpse into the future. Some build upon lessons from yesterday; others note trends and project tomorrow. Together they represent a treasure trove of insight and knowledge. We hope that as you read this book, the visions of its authors will enrich and expand your vision of the future.

We have divided our exploration of the leader of the future into four parts: “Leading the Organization of the Future,” “Future Leaders in Action,” “Learning to Lead for Tomorrow,” and “Executives on the Future of Leadership.” These parts have been chosen in a somewhat arbitrary manner. We deliberately gave the authors a free hand, and our revisions have been only minor. The authors are all experts in their own right, and we wanted you to hear their views in an unfiltered form.

This is not a book that needs to be read cover to cover. It can be read one chapter at a time, starting anywhere in the book. Our suggestion is to begin with the authors who interest you most (who may well be the reason you bought this book) and then branch out to authors you may not have been exposed to in the past or who describe views you may never have considered.

Peter F. Drucker, who is the acknowledged father of modern management, opens the book with his foreword, “Not Enough Generals Were Killed.” The foreword is a distillation of Peter’s years of observation on leadership and ends with a challenge for the reader. He notes, “Leadership must be learned and can be learned—and this, of course, is what this book was written for and should be used for.”

Part One, “Leading the Organization of the Future,” examines the unique qualities required to lead in a different kind of organization—the organization of tomorrow. We can already see how rapidly accelerating technology, global competition, and changing demographics are creating new types of organizations that were not even imagined a few years ago. The chapters in this part show how changing organizations will require changed leadership.

The authors in Part One represent the mix of thinkers who are helping to create tomorrow’s organizations. Charles Handy is one of the great, revolutionary philosophers in the field; William Bridges has been years ahead of his time in forecasting the “de-jobbed” organization; Sally Helgesen has pioneered work in new organizational structures; Gifford Pinchot invented the term *intrapreneur* and is a leading thinker on innovation; Peter Senge is the key thinker on

the learning organization and is coordinating breakthrough efforts in reinventing organizations; Edgar Schein has long been a world authority on organizational culture and development; John Work is an expert in the field of diversity in the work force, which will become an even more critical topic in the next century; and Ken Blanchard has effectively translated the requirements for effective leadership into language that has had a positive impact on millions of people.

Part Two, "Future Leaders in Action," describes the actions, skills, and strategies that leaders will need to sustain a competitive advantage in tomorrow's fast-paced world. The authors include educators and consultants who have worked with many of the world's present leaders and who are helping to train the world's future leaders.

Rosabeth Moss Kanter is an innovator in describing the transitions required to make successful new-age organizations a practical reality; James Kouzes and Barry Posner have done leading-edge work in analyzing "once-in-a-lifetime" success stories; James Heskett and Leonard Schlesinger are thought leaders at Harvard Business School who are active in creating high-performance cultures; Frances Hesselbein (former CEO of the Girl Scouts of the U.S.A.) is widely regarded as one of America's premier leaders; Richard Beckhard is an authority on organization development and change management who is helping both major organizations and family businesses change for future success; Judith Bardwick has been consistently ahead of her time in studying the changes that have shaped today's organizations and predicting the ones that will shape tomorrow's; and David Noer has analyzed both the costs and the benefits of life in a totally ambiguous reengineered world.

Part Three, "Learning to Lead for Tomorrow," focuses specifically on the area of leadership development. The authors in this part describe some of the how-to's in getting from where leaders *are* to where they will *need to be*. These authors are all people who not only have talked about development but actually have helped to develop the leaders in hundreds of major organizations.

Stephen Covey has successfully applied learnings from age-old concepts in a way that can positively affect people's lives tomorrow; James Bolt designs executive development efforts for many of the world's most forward-thinking organizations; Caela Farren and Beverly Kaye are innovators in the areas of career planning and non-traditional, future-oriented career paths; Richard Leider is currently developing new approaches to life planning and self-leadership that are designed to fit tomorrow's "virtual" world; Douglas Smith is a respected thinker on teamwork who has a great view of leadership from the "side" and the "bottom" as well as the top; Dave Ulrich is the world's authority in designing human resource systems for the future; Warren Wilhelm is currently in charge of leadership development for one of America's most admired corporations and has led development efforts in several others; and Marshall Goldsmith is an international expert in designing customized feedback, training, and development systems that help organizations create future leaders.

In the concluding part of the book, "Executives on the Future of Leadership," "real-world" executives share their personal reflections and views on leadership for the future. The executives selected for this part include representatives from a cross-section of organizations.

Alex Mandl and Deepak Sethi (AT&T) are working to change a *huge* organizational culture that is making the transition from approaches that worked well yesterday to a process that will ensure success tomorrow; Alfred DeCrane, Jr., (Texaco) is leading a cultural change in an organization that has overcome old ways and incredible obstacles to achieve success and create value; William Steere (Pfizer) faces the challenge of leading one of America's most successful organizations into the future in a field, health care, where radical change is the only certainty; William Plamondon (Budget Rent a Car) is leading a cutting-edge cultural change in a midsized organization that is in the process of establishing a new identity; C. William Pollard (ServiceMaster) and Steven Bornstein (ESPN) are two visionary leaders who have helped grow major businesses out of ideas by being able to successfully read future trends. Anthony

Smith is a consultant who works not only with Steve Bornstein and ESPN but with McKinsey & Co. and several other trend-setting organizations. Sara Meléndez (INDEPENDENT SECTOR) and George Weber (International Red Cross/Red Crescent), two of the brightest executives in the social sector, are helping to meet social needs at a time when government is less and less able to help.

One challenge that we as editors give to you, our reader, is to be open to new ideas. Take the best from each article and apply what you have learned to your life. Weigh the views of the authors against your own ideas about the future. Question your assumptions and decide what changes you need to make to effectively lead in the future.

We have done our best to provide you with the latest thinking from many of the top minds in the field. Your challenge is to apply what you have learned to make a positive difference in the organizations and the people that you influence. Our goal is for you to become one of the effective leaders of the future and to serve as a role model for others.

The History of the Project

The Leader of the Future is truly a labor of love. The original idea was conceived by Marshall Goldsmith, a member of the Drucker Foundation board. After reviewing a list of leading consultants in the field of executive development, Marshall called Frances Hesselbein and said, "Wouldn't it be great if we called our friends and associates and asked each of them to write a short piece on the leader of the future?" Marshall and Frances found the concept appealing for several reasons:

1. The world is changing so rapidly that even ideas presented in the recent past seem dated.
2. Many thought leaders have written books but not concise articles representing their latest thinking.

3. Many leading thinkers are executives or consultants whose ideas are shared with major organizations but not the general public.
4. A book assembling original articles on this topic by so many thought leaders had never been written.

The project presented many challenges. The key thought leaders in the field of leadership are incredibly busy and incredibly successful. Why should they devote their valuable time to be “one of many” when each is a “star” in her or his own right? How could they be compensated for their services when the amount of compensation, for most, would be inconsequential compared to their earnings as consultants, authors, or executives?

As it turned out, almost every thought leader in the field has a positive quality that may be even more important than being extremely intelligent—he or she is extremely generous. The solution was simple: let the authors and editors *donate* their efforts (and the proceeds of this book) to a worthy cause. In this way, the state of the art in leadership thinking could be communicated to a wide range of readers, and many worthwhile human service organizations could simultaneously benefit from the effort.

Frances Hesselbein is currently the president of the Drucker Foundation, which is dedicated to providing the latest thinking in leadership, management, and innovation to leaders of organizations in the nonprofit social sector, the private sector, and the public sector. Frances, Peter Drucker, and the Drucker Foundation board of governors and board of advisers were already donating their time to help social sector organizations receive the best possible leadership and management educational opportunities and resources.

Frances enthusiastically agreed to be coeditor of the book and suggested that Dick Beckhard be the third coeditor. Dick is a member of the Drucker Foundation board of advisers, and he had served as coeditor of a widely acclaimed series of books on organization development. He suggested that the project be expanded beyond a

book to become a *series of books* on important topics related to the future, such as the organization of the future and the community of the future. The series would be called the Drucker Foundation Future Series.

The three editors began to call their friends, and the results were amazing. Almost everyone who was asked to write an article *did* write an article. In fact, most of the authors expressed gratitude for being given the opportunity to participate. The few thought leaders who were unable to participate had very valid reasons for not getting involved and expressed a desire to participate in future books in the series.

The incredibly positive responses by Charles Handy and Rosabeth Moss Kanter were indicative of the group's reaction to the project. Charles said, "It would be a pleasure. When do you want it?" Rosabeth's comment was, "You can't publish this book without me!"

The first article to be completed was by Jim Heskett and Len Schlesinger of the Harvard Business School. The second article was submitted later that day by Bill Pollard, chairman of ServiceMaster. The quality of these two efforts gave us positive expectations that the articles would be superb.

Peter Senge spoke for many of the authors when he noted that only a small percentage of people who buy books on leadership actually *read* the books that they have purchased. He noted that many books in the field are simply too long for busy executives to read and digest. He liked the concept of presenting ideas in a concise format that people could read a little at a time and noted that this format might have a greater impact on large numbers of readers.

The challenges faced by Judy Bardwick were typical of those faced by most of the authors. How could she crowd this assignment into an already overbooked schedule of consulting, speaking, writing, and travel? She accomplished this feat by writing at night and on the weekends. Her dedication to volunteer service is representative of all those who have contributed chapters to *The Leader of the Future*.