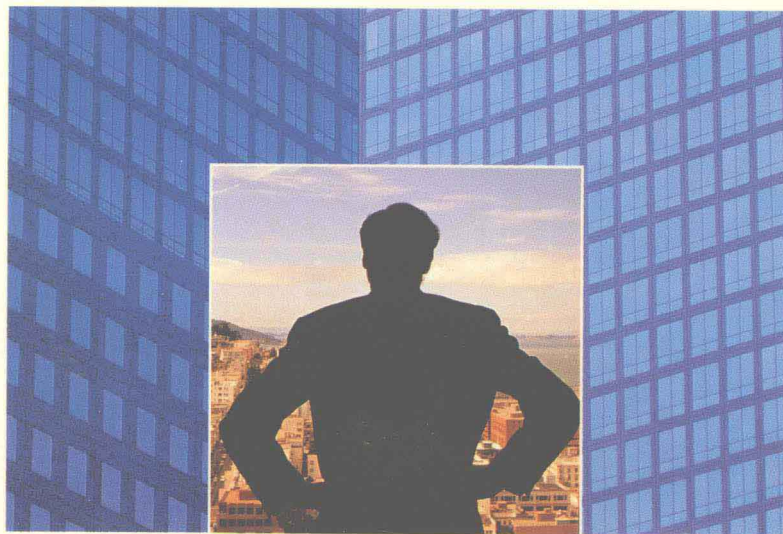


"Enlightened Leadership is a useful and practical tool for shifting a reactive mindset to a proactive mindset—a vital key in becoming a principle-centered leader."
—Stephen R. Covey, author of *The 7 Habits of Highly Effective People*
and *Principle-Centered Leadership*

ENLIGHTENED LEADERSHIP

GETTING TO THE HEART OF CHANGE



FOREWORD BY

LARRY WILSON, AUTHOR OF *CHANGING THE GAME: THE NEW WAY TO SELL*

ED OAKLEY AND DOUG KRUG

ENLIGHTENED LEADERSHIP

Getting to the Heart of Change



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This book is dedicated to our fathers,

*Garland Lea Oakley (1918–89) and
Douglas Edward Krug (1917–80),*

*for their support, their challenges, and
their love.*

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Certainly, our families have contributed enormously in terms of support for our work, as well as the path of growth and maturation that we are on. It is your unconditional love, your total “partnership,” and your total belief in us that continues to fuel us in our quest. We hope we have been able to express over the years the importance you have been and continue to be to us. In many ways, this book is as much yours as it is ours.

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From the bottom of our hearts, we express our deep appreciation for the many named and nameless who have contributed to our learning, our growth, our success, our joy and this book, which was born from it all.

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FOREWORD

Stop for a minute and take a look around. Think about the last ten years and imagine the next five. It's easy to see that great change is in the air. One would have to be in an advanced state of denial not to recognize that the world we grew up in is going, going, gone. Of course, there *are* a lot of people in denial. Unfortunately, they tend to be the heads of major organizations and many of our politicians, people whose investment in the status quo blinds them to the new and pressing realities of change.

Most of us, however, are fully, sometimes painfully aware that we are in the midst of what futurist Alvin Toffler calls "the rattling and shaking." We are seeing the fundamental transformation of our lives at work and at home, with no letup in sight, no end to the cultural and economic earthquakes.

Even Peter Drucker, conservative dean of American management theorists, wrote in a recent *Harvard Business Journal* article, "Every few hundred years throughout Western history, a sharp transformation has occurred. In a matter of decades, society altogether rearranges itself—its worldview, its basic values, its social and political structure, its arts, its key institutions. Fifty years later a new world exists. And the people born into that world cannot even imagine the world in which their own grandparents were born. Our age is in such a period of transformation. If history is any guide, this transformation will not be completed until 2010 or 2020."

The forces driving the transformation are many and varied. One is technology, including the unprecedented instant flow of and access to information. Technology is tearing down the traditional boundaries between nations, economies, individuals, the boundaries dividing the haves from the have-nots. The transformation of information technology is making a joke of the regulatory environment that attempts to separate the phone companies from the computer companies from the information technology companies. Information about anything in any form is at the tips of your fingers right in your own home. The result

is a “rattling and shaking” of the very infrastructure of work and our personal lives.

Probably a larger driver of the transformation is the absolutely new worldwide marketplace of ideas, capital, manufacturing, and consumers. It is a small and shrinking world with no boundaries. Overnight, the “global economy” is changing the basic free-market formula that was drummed into our belief systems.

My friend and collaborator, Lou Pritchett, former Vice-President of Worldwide Sales for Proctor and Gamble, wrote, “We have yet to see the full impact of the open, global marketplace. By 1997 all raw materials and technology will be available everywhere in the world. *The only differences between countries and markets will be skill levels, education and the level of empowerment of the workforce.*”

Forget about Japan and Germany. They are only part of our present and our children’s economic future. Behind them lies the rest of the world. All those countries that we have pejoratively called “third-world” nations or “second-rate” economic powers are just beginning to flex their economic muscles. They want a piece of the pie. They will work hard to get it, and they will play by different rules.

Lester Thurow, the MIT economist, uses the metaphor of games to explain the world economic reality. We play football, a slow, linear game played in a predictable sequence of actions, with lots of time-outs and continual replacement of players.

The rest of the world plays soccer: a fast game in which many things happen at once, a game with very few time-outs and very few replacements.

The rest of the world no doubt regards our game of football much as we regard cricket, the game of the nineteenth century’s dominant power, England. We see this slow, archaic, boring, “gentlemanly” game as a relic of another age. And we know it would be easy to compete against.

Looking at us, the rest of the world observes how we have constructed our economy and how we run our companies and thinks we are very easy to compete against. And they’re right, at least for the moment.

This brings us to the core questions: Given the transformation, given the crushingly competitive world market, how are we, as companies and as a country, going to compete? How can our

organizations continually provide world-class solutions at world-class prices? How are we going to develop the new markets, the unthought-of products and services that will keep our standard of living and employment rate high and allow our country to remain a world-class economic power?

Another piece of the puzzle: The people we used to turn to for the answers to such questions, those individuals way up in the corporate tower, no longer have the answers. The world has become too fast and too complex. There is too much information coming from every direction, too many critical variables for one person or a select few to understand the game, much less predict its future. CEOs, directors, and managers—at least those who don't have their heads in the sand—are kept up all night by those questions, but they don't have the answers. Just as distressing, if they have answers, they often cannot implement them fast enough to make a difference.

What fascinates me, as I sit in on meeting after meeting with CEOs and their people, is something I have heard innumerable times, in every kind of industry: the admission by the high-level folks that they do not have the answers. And they're right, they don't. By themselves, they do not know how to increase competitive advantage, how to create innovation, or how to become world-class.

So who has the answers? Who is going to create the solutions large and small, the innovative breakthroughs and the incremental changes that are required for companies to compete in this new game? Where are we to look if (in the words of my friend Mike Szymanczyk of Philip Morris) the formerly omnipotent "corporate gods" are dead?

It is here that the story turns. A new reality is blooming; it is transforming organizations and work.

Every day, all over the business landscape, another company wakes up and realizes that its most underutilized resources are the minds and hearts of its people. It is people—those closest to the customer and closest to the work—who have the answers, who own the solutions.

So what do these well-meaning companies do? They put up suggestion boxes and ask their employees for ideas.

The response, typically, is a deafening silence.

To understand why, you have to understand how we are or-

ganized to work. In the nineteenth century, the most efficient and effective organization, the one that stood head and shoulders above the rest, was the army. There you had an autocratic general who saw the “big picture” and passed his orders through captains and lieutenants down to the privates who did the actual grunt work of the organization.

This was the military model, and as the best (i.e., most effective and efficient) large organization model around, it was adopted by rapidly growing companies that were leveraging the industrial revolution and cheap labor. Because it was so successful, the military model influenced the thinking and behavior of generations of managers and CEOs. Universal education in the United States was shaped to support this model. There was a strong autocratic teacher who always had the answers. Promptness was required, silence mandatory. You did your own work. You got a grade. All of these conditions were exactly what was required in factories and offices of the nineteenth and twentieth centuries. Companies wanted “hired hands” who were not paid to think, who checked their brains at the factory gate.

People were managed by fear and coercion. They were given orders and they were given a grade. The company controlled their lives. It was only two or three work generations ago that companies told employees when to get married and where to live.

Why would anybody want to work in that environment? Well, for one thing, workers expected it. The companies had all the power, because they owned the means of production. Second, the governance contract with the “corporate gods” was this: On the job I will do what you say, think what you want me to think, not contradict or go against company codes; in return, you will guarantee me a lifetime of work.

Of course, most of this is no longer true. The contract was broken long ago. People move from job to job in pursuit of more money, better life-styles and schools, greater opportunities. Across the landscape, companies are slashing their work forces to increase productivity and take advantage of technology solutions. As Peter Drucker writes, even control of the means of production, previously owned by the companies in the form of factories, mines, and the like, has shifted. In this age of the information worker, employees truly own a healthy chunk of the means of production.

But with all these changes, we have yet to toss aside the last vestiges of the old military work model. When a company goes to its employees—who have grown up in this system, who only know the military model—and asks them to start thinking, to come up with creative ideas, a lot of questions arise in the minds of those employees.

“Do they mean it?” “Will I lose my job if I contradict my boss?” “What if I tell them what I really think?” and, most painful, “What difference will it make, anyway?”

Underlying these questions are two unnatural and constraining feelings: fear and apathy. By unnatural, I mean they are not part of the normal human makeup. They had to be learned, and our schools and the “military model” workplace have done a good job teaching workers fear and apathy.

W. Edwards Deming, one of the undisputed fathers of the world-wide quality movement, understood this when he wrote that it was the obligation of management to drive fear from the workplace. He would be batting 1.000 if he had added the mandate to drive apathy out of the workplace.

But how do you drive fear out, how do you instill enthusiasm and curiosity in everyone? There are not a lot of guideposts out there; there are no magic bullets, no memos, no simple training programs for accomplishing this.

I believe this is where empowerment and quality efforts get stuck, trying to address the soft, mushy, swampy stuff like fear and apathy. For managers accustomed to working with numbers and hard facts, this “soft stuff” is unnerving and difficult to deal with. Yet, as Tom Malone of the award-winning Milliken Company told an audience recently, “It’s the soft stuff that is the hard stuff, but it’s the soft stuff that makes the difference.”

What is required is nothing less than a re-inventing of the workplace. We must change the structures, the compensation system, the pecking order, the hierarchies so as to better fit the needs of workers who must utilize all their brain power, creativity, and courage in order to tackle the problems of surviving and thriving into the next century. As I see it, we are on the cusp of throwing out all our old notions of how to organize people and tasks around work. We are on the cusp of transforming the workplace.

That is why this is an important book, because pivotal to this

transformation is a new kind of leader. It is not the autocratic, "I've got the answers, do what I say" leader. Nor is it the "management by numbers" and the "management by objectives" people. The whole idea of leadership has turned upside down. Today's leaders are there to serve, rather than to be served. They are there to empower people; they don't come to work having the answers. The objective of today's leaders is to help people bring 100 percent of their creativity and courage to bear on the problems of the organization.

In our work at Pecos River Learning Centers in Santa Fe, New Mexico, we say that good leaders do three things. They provide *permission* for their people to try new things, to "get outside of the box." Second, they provide *protection*. Leaders protect their people and their ideas from the corporate immune systems whose job it is to "kill" anything that is new, different, or—God forbid—viewed as a mistake. Finally, leaders provide their people with *processes* to help them tackle and solve problems. When individuals have permission, protection, and processes they flourish, they create, and they can solve problems formerly believed to be insurmountable. At Pecos River Learning Centers we've witnessed this; we've seen the results, and they are nothing short of world-class.

In this thought-provoking and timely book you'll find a virtual tool kit for such leaders. From logical, step-by-step processes for empowerment to tools that will help create a vision of what is possible for a team or group—it's all here. This book should be read and read again. The tools, processes, and questions it provides should become part of the natural work vocabulary of managers and leaders.

So enjoy the book, and remember: if you use it and practice what it teaches, you will be part of the minority of managers and leaders who are taking us into the future of work and a more competitive America.

—LARRY WILSON
*Pecos River Learning Centers,
Santa Fe, New Mexico*

1

GETTING RIGHT TO THE POINT

The significant problems we face today cannot be solved at the same level of thinking we were at when we created them.

ALBERT EINSTEIN