

THE ENLIGHTENED CEO:

How to Succeed
at the
Toughest Job
in Business

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&
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The Enlightened CEO - *How to Succeed at the Toughest Job in Business*

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Chapter 1



The Limits of Power

“We have a plan, but we can’t seem to get it executed.”

“My team isn’t motivated and focused the way it should be. They spend too much time competing with each other.”

“How many times do I need to communicate my vision before everybody ‘gets it’ and rallies behind it?”

“Why can’t my people make better decisions when I’m not around?”

“I keep getting distracted from the most important parts of my job.”

“I’m at the top of this pyramid, but I often feel so powerless.”

The two of us have been CEOs, taught CEOs, consulted to CEOs and befriended CEOs. Over a period of thirty years we have worked with hundreds and met thousands, from scores of Fortune 500 leaders to myriad small business owners and leaders of venture capital-funded start-ups. Most have been bright, personable, and highly motivated, and — despite the bad apples reported in the popu-

lar press — fundamentally good, well-intentioned and ethical people. Looking from the outside in, one might suspect that the CEO has it all — power, money, respect, perks, fun and, within his own circle if not a broader one, a degree of fame. To those who aspire to power, being CEO may seem like the answer to all of their problems, for once there they can tell people what to do and finally make things happen the way that they choose.

Yet as anyone who has held the title knows, in reality it is much more of a mixed bag. They've spent their careers aspiring to the CEO position and, having reached it, they have no intention of trading it in. Yet the frustrations of the job are many, with just a small sampling of them included above. Yes, the CEO commands respect, but what does he then do with that respect? How does he get the three or three hundred or thirty thousand human beings in his organization to move as one towards the desired goal? In a 24-hour, seven-day week (or the portion of it dedicated to his job), how does he manage the hundreds of things he needs to get done? Faced all day long with decisions large and small, how does he stay focused on what is most important and maintain his judgment? And when the inevitable surprises and disappointments occur, sometimes seemingly a lot faster than the successes, how does he turn those around, keep the organization on track and motivated, and not lose his credibility as a leader? As CEOs we know what others find hard to understand: Despite the trappings and illusions of power, being CEO is the most difficult job in the organization, and success is far from a foregone conclusion.

Almost every CEO enjoys a degree of euphoria the first time she rises to the position — either by appointment or through her own initiative in starting a business — and that euphoria lasts for a while, perhaps even a long while. Yet ultimately that euphoria is tempered by frustration, confusion about the limits of power, battle fatigue, and disappointment about the organization's mixed results. In most cases, those concerns lead to even more fundamental questions the CEO asks herself from time to time:

“Am I really cut out for this job? Do I have what it takes?”

and:

“Is this what I really want to be doing? Am I having fun?”

Even the CEO who believes he is doing well asks himself:

“How do I take myself and the organization to the next level?”

We ourselves have lived this journey and witnessed it in countless others. We’ve experienced it all — we’ve made all the mistakes, and thought all the unhelpful thoughts. Yet the good news is that when one makes enough mistakes and is willing to be open-minded, observant and introspective, one ultimately understands the roots of the problem and finds the answers. So finally, somewhere towards the back end of our 30 years working this challenge, we’ve come out the other side and reached a hard-earned understanding of what it takes to succeed as CEO.

Having done so, we want others to get there faster than we did, and without as many wrong turns and blind alleys. We want them to enjoy and thrive in the CEO role from the outset, and to consistently improve their performance throughout their careers. And we want their organizations to see the results that come only when the CEO truly understands what his role is and what it takes to master the most difficult job in business.

This book is written for everyone who is a CEO, or who runs a part of an organization (for which the challenges are similar), or who aspires to be CEO some day. Master the principles in this book, and you’ll get there faster, perform at a consistently higher level, and derive more satisfaction from the job. And in doing so, you will achieve something enjoyed by only a small minority of your peers.

Chapter 5



The Complete CEO

A systematic approach to the job of CEO includes six fundamental roles. To be fully successful, the CEO must not only take on each of these roles, he must fulfill them diligently, with skill and based on a series of critical underlying principles specific to each role. The six include:

- 1) **Creating the Inspiration:** If the CEO is to lead, he must first define a direction for the company which is inspirational for his organization. Choosing the right vision and expressing it with sufficient eloquence and clarity is the first challenge of true leadership.
- 2) **Charting the Course:** Far too often, CEOs assume that any worthy vision can be achieved with enough determination and hard work. The reality is that there are fundamental rules of markets and competition, and inherent capabilities and limitations of any organization, which make some visions attainable while others are not. To ensure that the CEO has created the right inspiration for his organization, he must carefully chart the course by which the inspiration will be pursued and achieved, and while doing so he must test that course with sufficient rigor relative to both external and internal realities.

When presented with mixed or disappointing results, too many CEOs jump to the conclusion that the problem lies in the implementation, and turn to personnel or process moves to try to fix the

problem. While that is sometimes the right corrective course, other times it is not. Instead there may be something fundamentally flawed in the vision or the strategy chosen to execute it. Mastery as CEO requires a logical, clear understanding of the environment and the organization's role within it, in order to continually address the question of where the mid-course correction needs to be made: in the internal workings of the company, or by better aligning the organization's course with the business realities with which it is presented. This process — realistic analysis of the strategic truths and imperatives so as to chart the right course for the company — is the second key role of the CEO.

- 3) **Shaping the Team:** A great CEO must have the humility to understand that he is only as good as the people with whom he surrounds himself. However, choosing the right people is only one part of the much larger job of shaping an excellent management team. The very same ambition and self-confidence that enable people to become CEOs often lead to destructive results when it comes to leading a team in a way that fuels their ambition and self-confidence and which drives optimal decision-making. Great CEOs understand what must be done to strike the balance required to be an inspirational leader while simultaneously encouraging, rather than drowning out, the independent thinking and leadership capabilities of the other members of the management team.
- 4) **Translating Into Action:** It is easy for the CEO to fall into the trap of assuming that an inspirational vision plus a well-charted course plus a strong team will automatically yield results. When the returns that come back are inadequate, the CEO often scratches her head. In these situations what is inevitably missing is a detailed, carefully defined plan of action which translates the charted course into a much finer level of detail: Who is going to do what, when, in order to get us where we intend to be.

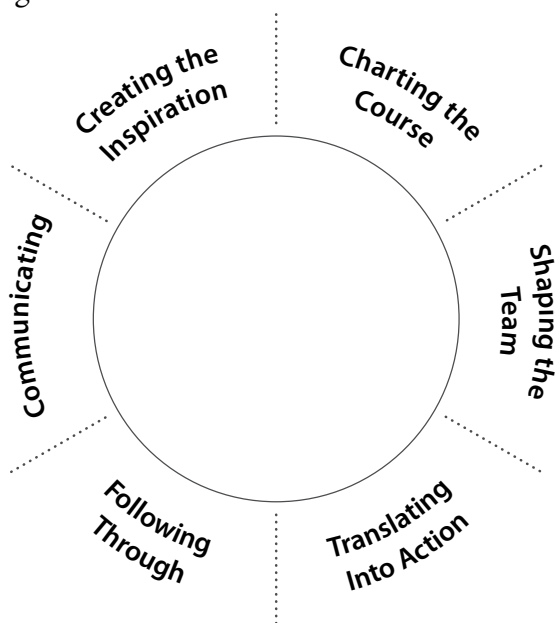
Some CEOs instinctively view action plans as an unglamorous part of the job, and as a result they neglect them. Alternatively, they may view this as the role of the COO or senior managers, and not their own. That may be the case in significant part, but

what is the CEO's job is to make sure that action plans of sufficient detail and quality are continually in place. Regardless of the size of the organization and the depth of management talent, there are critical steps which the CEO must go through to ensure that this happens, as we'll explore in depth in the section of the book (Part VII) dedicated to this role. The CEO who abdicates responsibility for the company's action plans runs a serious risk that he will be disappointed in the company's results.

- 5) **Following Through:** It is also not enough to create a plan for who will do what — the CEO must also ensure that the plan is implemented. Go back to the questions at the very beginning of the first chapter: Lack of execution is one of the most common frustrations expressed by CEOs. Yet it is an entirely avoidable frustration if the CEO commits himself to the fundamental principles of follow-through and has the discipline to practice them consistently.
- 6) **Communicating:** Frequent, high-quality communication underlies every one of the five roles identified above, but it is so critical that it merits a sixth role all its own. Every business is ultimately a people business, and every CEO communicates to her organization every minute of every day: either consciously or unconsciously, by commission or omission, and well or poorly — in meetings, one-on-one, in writing, and by phone. Great leaders understand that as one person leading many it is almost impossible to communicate too much, as there are always people who need more encouragement, more guidance or a sympathetic ear, and there are always ideas which need more reinforcement or refinement. Yet communicating with sufficient frequency is only part of the answer, as it is easy to fall into any of a variety of traps of bad communication: micro-management, over-promising, and many others. Figuring out how to communicate constantly but excellently is one of the critical challenges for the CEO. The payoff is the ability to influence not only the senior management team, but also all the other of the CEO's constituencies — including employees, the Board, key investors, customers, and suppliers.

Furthermore, the CEO will succeed only when communications work equally well in both directions, which means the CEO must maintain the processes necessary to listen as well as to speak. The great CEO knows that not only does she not have all the answers, but she has relatively few of them, and that listening to others will provide her with the ones she needs. She knows that she is at least as dependent on the wisdom of the organization as the other way around.

This two-way nature of the communicating role means that the six roles don't occur as a one-way sequential "line" but rather as a circle, for in the process of communicating the CEO learns what is required to continually upgrade the inspiration, the course, the team, the action plan, and the follow-through. The six roles take place continuously and simultaneously, mutually reinforcing and upgrading each other in a never-ending circle:



All of these six roles contain challenges and pitfalls, and for each there are core principles and proven techniques to serve as your guide. Parts IV through IX of this book are devoted to exploring each of the roles in detail. However, before diving into those details we turn first to what must reside at the center of those six roles if one is to join the ranks of outstanding CEOs.

Chapter 7



The Nature of Enlightenment

So how does one bring clarity to a job that is constantly pulling you towards complexity? How does one consistently illuminate rather than obscure, align rather than divide, focus rather than distract, and inspire rather than de-motivate? Surely the answer cannot lie in Machiavellian intrigue, frenetic motion, or excessively nimble mental or moral gymnastics — too many of which you’ve probably tried already without the desired results. The challenges that surround you are complicated enough on their own: To illuminate them with clarity requires not more layers of movement and complexity, but instead a fixed point of reference, accurate tools of observation and a clear understanding of the rules of perspective. The more constant you can keep your base and modes of observation, the easier it will be to see the paths to success amidst all the extraneous or misleading information that surrounds you.

In fact, the only way to cut through the complexity is to base your leadership on a set of fundamental *principles* that bring order to the potential chaos and that guide you towards the right decisions made for the right reasons. Furthermore, your commitment to those principles must be unflinching and non-negotiable: They become your North Star as you navigate the often murky and perilous waters that can surround and permeate both you and your company.

As an enlightened CEO you will lead based on principles which govern the *purpose* which guides your efforts, the *thought* process you apply to the world around you, and your *conduct* when you interact with that world.

The first set of these, **Principles of Purpose**, enable the Enlightened CEO to remain clear and steadfast in his motivation and responsibilities:

- He recognizes that the company's agenda is different in important respects from his own, and makes sure that the former takes precedence.
- He accepts the full range of responsibilities incumbent on the CEO and fulfills all of those roles.

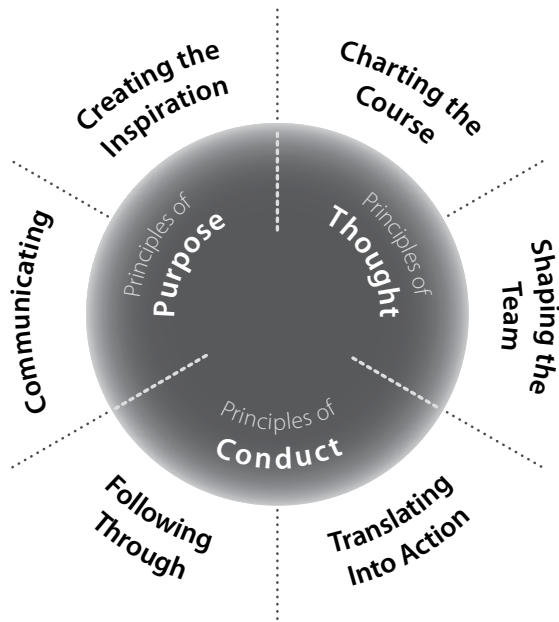
The second group, **Principles of Thought**, ensure that the Enlightened CEO sees the world as fully and accurately as possible:

- He practices openness, not only accepting but actively encouraging input from a wide range of sources from both within and outside of the company.
- He invests sufficient time and energy in the quest for understanding of the wide range of subjects and disciplines required to do the job well.
- He maintains objectivity, helping him to see the facts as they are, without bias, and to make decisions based on the merits.

Third, **Principles of Conduct** enable the Enlightened CEO to carry himself and to treat others in a way that maximizes his positive impact on the organization:

- He keeps extreme emotions in check and, no matter how productive and fast-paced his day may be, maintains the calm necessary for accurate observation and dispassionate decision-making.
- He has genuine humility, recognizing how dependent he is on the knowledge and talents of others.
- He treats all around him with equity, appreciating the strengths and empathizing with the needs and struggles of others. He makes hard-nosed decisions regarding personnel and other issues in order to advance the interests of the

company, but does so with balance and understanding and not out of frustration.



We will explore each of these principles in more depth in the remainder of Part III, but as you look at this list now you will agree that it is a straightforward and largely intuitive one. And that is precisely the point: To become an enlightened CEO, the direction in which you need to look is back towards basics, not out to some wild and unexplored unknown. The distractions, temptations and pitfalls that have influenced you and become part of who you are and how you lead need to be stripped away, so that you can connect with the principles of enlightened leadership and, once you have done so, stay connected to them forever.

Yet there is no way that those temptations and pitfalls can be stripped away unless you are first able to see and acknowledge them. To proceed towards enlightenment, you must first understand the complicated entity that you yourself have become — your strengths and weaknesses, your likes and dislikes, and your needs and aspirations — and how all of those both help and hinder you as you seek to excel as CEO. Enlightenment is at the core of the six roles of the CEO, but what lies in turn at the core of enlightenment is *self-aware-*

ness — for without a truly accurate understanding of yourself, you will have nothing fixed upon which to dock the principles of purpose, thought and conduct. Before we discuss those principles further, let's first explore in more depth the journey toward self-awareness.

Chapter 23



A Unifying Purpose

All CEOs face the challenge of inspiring the members of the organization to move as one in a common direction. For that challenge to be conquered, the first step is to articulate a unifying vision for the company: Why are we all here? What broad objective are we all trying to achieve? As we each go about our jobs, what is it that bonds us together so that we are in fact working as a team? The presence or absence of an inspiring and clearly articulated vision for the company is one of the most fundamental tests of the stewardship of the CEO.

A strong vision statement serves three critical purposes. First, the very crafting of the statement forces the CEO and his team to become clear in their own minds as to the overarching direction of the company. Some companies have no vision statement, and many others have ones that say very little, as we will discuss in the next chapter. Often an absent or inadequate vision statement is a symptom of a much more important underlying disease: The CEO's and management's lack of decisiveness and clarity in choosing among competing alternatives for the company's future direction. Forcing yourself and your team to craft a clear and unambiguous statement of why we are here and where we are going ensures that you and your team will realistically assess your situation and make the tough choices which you may have avoided in the past.

Second, the vision statement is the starting point and core of your communication with all of your employees. Crafted properly, it is the unifying purpose that enables all to understand their jobs in a broader

context, so that they can align their efforts with the overall mission of the company. Achieving that alignment is one of the CEO’s most difficult challenges, and it becomes that much more difficult — if not impossible — in the absence of a clear statement of corporate purpose that is understandable by all. In fact, many companies also choose to broadcast their vision to other constituencies, such as customers, potential hires, corporate partners and investors. A strong vision statement then becomes a vehicle for aligning the thought processes and efforts of not only employees, but all members of the extended corporate family.

The third rationale for a strong statement of purpose is to give employees a reason to be excited to come to work on behalf of the company. While many employees out of necessity will be willing to do their jobs for the paycheck alone, they also crave to be part of something larger and more important. To the extent that that larger purpose is well articulated and shared by all, the company will do a far better job of retaining the most skilled and marketable employees while also maximizing the motivation and productivity of all on the company payroll.



Often an inadequate vision statement is a symptom of a much more important underlying disease: The CEO’s and management’s lack of decisiveness and clarity.



To meet the first two rationales for the vision statement — helping the CEO and management to sort out their own thinking, and aligning the efforts of all employees — it must be clear and unambiguous. However, to meet the third — motivating employees — it must also be inspiring. The best vision statements inspire by describing how the company, through application of its unique capabilities, intends to advance some aspect of society for the better. Depending upon your industry, that societal benefit may be improving health care for a certain segment of the population, connecting people to global opportunities by bringing new telecommunications technology to an underserved market, or lowering distribution costs to make products more affordable to more people.

The inclusion of societal benefit in the vision statement need not be unique to leading-edge companies, and need not serve a purpose which could qualify for a Nobel Peace Prize. Home-builder CPMorgan specializes in first or second homes for those just working their way up the economic ladder, and employs rigorous production techniques to raise home quality while lowering cost. The company has embraced a powerful and elegantly communicated vision statement: “To provide more people with more home than they ever dreamed possible.” (We particularly like their use of the word “dreamed,” as it conjures up inspiration.)

CPMorgan then makes this vision statement the core of other corporate communications. The first five words on its website, after the company name, are “More Square Feet. Less Money[®].” The cover of one of their marketing brochures states simply “The inside story of More Square Feet. Less Money[®]. How we do it better,” and the contents inside include “More Square Feet. Less Money[®]. is the result of a more efficient building system” — a system which is then explained in depth in the rest of the brochure and which, more importantly, guides all of the company’s internal processes and relationships with suppliers. Here is a company in what some might characterize as an unexciting industry which has nonetheless crafted a unifying purpose which guides the efforts of all of its employees, suppliers and partners and which connects them to an inspiring and worthwhile mission, at the same time that it serves as a marketing message to customers. The point is that any company has the potential to benefit society by striving to serve its market in new and improved ways, and if it can weave that service to society into its vision statement then that statement is more likely to be inspirational.

In sum, a strong vision statement crystallizes CEO and management thought processes, aligns the efforts of all of the organization’s constituencies, and inspires employees and others to apply themselves for the benefit of the company. Yet these benefits do not accrue from just any vision statement — only from strong ones. So what exactly does — or does not — constitute an effective vision statement? Read on.

Chapter 36



Making the Investment

Parts IV and V explored the first two of your roles as CEO: To design a vision to inspire your company as well as a strategy to realize that vision. Both of these roles are “thinking” ones which address the question of *what* the company should be doing. Your remaining four roles concern *how* the organization will achieve those ends.

To design the vision and strategy, you need to immerse yourself and your company in the world of ideas. You need to be knowledgeable about your company, its environment and the rules of strategy, as well as underlying ideas in the realms of product possibilities, potential technological changes, market research and other disciplines. Based on all of that knowledge and analysis, you then must creatively craft the optimal path forward.

Immersing yourself and your company in a steady flow of creative concepts is very healthy. Yet the concepts themselves are inanimate and by themselves can accomplish nothing for your company. Instead, new ideas are only as good as the people you have to evaluate them and the ability of those people to work together as a team to get them implemented. In our experience, we’ve met a far greater number of CEOs who lament that they have plenty of promising ideas but not enough good people and teams to make them happen — than CEOs who claim to have a surplus of great people but not enough good ideas.

Yet as common as this view may be, it is at least as common — and strikingly so — for CEOs to under-invest in finding the right

people and in shaping them into a highly effective team. Most CEOs understand that they need strong senior executives, but nonetheless go about the business of staffing and shaping that senior staff in too piecemeal and perfunctory a way. Such CEOs may wind up assembling a group which includes some talented individuals, but also one which lacks the “special sauce” that transforms a group of individuals into a superb, highly-functioning team.

CEOs who under-invest in shaping their teams do so for a number of reasons. The leader of a small company may believe that her own insight and charisma are enough to make her company a success, regardless of the team with which she surrounds herself. Caught up in the excitement of her business and focused on shorter-term issues, she fails to anticipate that if her company is to grow to any appreciable size, then she will need an effective team to support and drive the company’s success.

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Cutting corners in shaping the team is one of the most penny-wise and dollar-foolish things that CEOs do.

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Other CEOs fail to appreciate just how well high-functioning teams can truly function, and the powerful impact that they can have on the company’s performance. As a result, they *believe* that their team is performing at a high level when in fact they are badly miscalculating: Their team may be an “average” one, but in accepting that level of performance they are squandering an opportunity for the team to do so much better on behalf of the company. Finally, many CEOs do sense that there is significant potential to improve the senior team, but they’ve tried with insufficient success and simply don’t know what to do differently to get to the next level.

The net result, in our experience, is that most CEOs under-invest in the shaping of their teams. These CEOs may:

- Lead limited rather than thorough searches for the best people to join their teams;

- ✦ In their anxiousness to complete the search, conduct only half-baked research on the previous track record of potential hires — research that could reveal how well the new hire will mesh with the existing team and company culture;
- ✦ Be deficient in providing regular, direct and helpful coaching to existing members of the team, preferring instead to sweep potentially contentious issues under the rug;
- ✦ Fail to design an effective process for the team to debate issues and reach decisions which are objective and best for the company — and therefore by default allow too many issues to be decided based on politics or expediency;
- ✦ Under-invest in learning what motivates their people both professionally and personally, therefore squandering an opportunity to reduce turnover and extend the tenure of the company's strongest leaders;
- ✦ Be too cavalier and unsystematic in their entire approach to shaping a highly-functioning team — assuming that "we're all adults" and that therefore issues among us will be worked out automatically — and ignore the need for consciously determined group behaviors and norms.

Cutting corners in addressing these critical building blocks for shaping the team is one of the most penny-wise and dollar-foolish things that CEOs do. There is huge leverage for any CEO in getting the right people onto his team and then having them work together as effectively as possible. A well-functioning team both dramatically reduces the number of problems the CEO must deal with on a day-to-day basis, and also creates all sorts of upside opportunities for the company that are not generated by less effective teams. Given the potential payoff of a well-shaped team, we have found relatively few CEOs who make the personal investment in time to match that payoff — yet *all* CEOs need to do so.

Think about your favorite professional sports team. Surely it has a vision, perhaps to win the championship this year, make the playoffs or embark upon a several-year rebuilding program. Now imagine the leaders of that team exhibiting only sporadic diligence in researching and deciding which players to add to the team. Furthermore, imagine them failing to do everything possible to help the players perform to the limit of their ability, as well as to get all the players to work seamlessly together in an inspired way, based on a carefully-designed set of rules and expectations. Surely you would view the team's leadership as foolish, and few professional teams would behave that way. For *any* organization or CEO to under-invest in selecting individuals and shaping the team is just as foolish, yet many in fact do just that. Because the time pressures of the job are omnipresent, and because the challenge of understanding and motivating talented but complicated people is difficult, too many CEOs shy away from this critical role.

If you are a CEO whose thoroughness in shaping the team ebbs and flows, the irony is that whenever it ebbs because you are pressed for time, you are in fact creating *more* work for yourself, not less. Fail to spend enough time carefully selecting the right person to add to the team, and you'll wind up having to repeat the process a second or third time when too often you discover that the initial hire was a mistake. Avoid regularly coaching your people, teaching them how to overcome areas of weakness, and you'll spend far more time fixing individual problems as they arise rather than leveraging yourself by instilling the requisite skills in the members of the team. Fail to explicitly define how the team will resolve disagreements and work together to make decisions, and you'll wind up wasting far too much time arbitrating misguided disputes which are based upon political agendas and conflicting sets of data.

Skillfully shaping a team requires intelligent reflection, sensitivity to human motivations, and a willingness to address conflict openly and honestly — and in the pressures of the job too many CEOs fail to fully engage those activities. *Yet if you aspire to excellence for your company and for your own performance, under-investing in shaping the team is a potentially fatal mistake.* That is why it is the third of your non-negotiable roles as CEO.

Shaping a team involves a range of specific activities, from selecting the right people to crafting how the team will work together to setting and enforcing expectations for levels of performance — and those issues will comprise Chapters 40 through 42. However, let's turn first in Chapters 37 through 39 to an even more fundamental set of questions: For you as CEO, what is your team? To what purpose should it be directed? And what is the key to getting the team to perform at the highest possible level?

Chapter 54



Enlightened Communication

As with the rewards identified in the previous chapter, the principles of enlightened communication should be familiar ones to the thorough reader, as we've highlighted them throughout the book. As a result, we'll summarize them relatively succinctly here, so as to have a complete description of enlightened communication all in one place.

The first principle relates to the quantity of communication. As we've described, your effectiveness as CEO will be proportional to the time and energy you and other leaders in the company invest in communication, with that investment measured along two dimensions. For one, your communication should be as pervasive as possible, reaching out to all corners of the organization and to all of your employees. Communication will vary in form and content based on the audience, but all employees need to be informed and inspired, and all will benefit from being included in the process.

In addition, you can't assume that once you've said something to a given audience you've completed the job. Good communication requires frequent repetition, so as to reinforce the message, continue to inspire, and stimulate up-to-date feedback which may be different from that offered the last time the message was delivered. It is virtually impossible to communicate too much, and you should be disciplined in ensuring that you reach out to all audiences on a regular basis.

Beyond the pervasiveness and frequency with which you reach out to the organization, the core principles of enlightened communication are openness and candor. If you invest much time and energy in communication, but spend most of it by simply delivering stock and superficial pep talks or making small talk with employees, then you are wasting your time and significantly diluting your effectiveness as CEO. The real power of communication — including the power to teach and to influence how your people spend their time — comes from delving into the real issues, opportunities and challenges in an honest way with as wide an audience as possible.

As we've reflected, secrecy is over-rated. While there is always selected information which must be kept confidential, many CEOs and managers tend to include far too many items within that veil of secrecy — to the detriment of organizational effectiveness. Your people are smart enough and the rumor mill is strong enough that they will have a general sense of many of the "secrets" anyway. Your choice is to give it to them straight so that you can deliver the message appropriately — or to allow them to fill in the blanks through a process of questionable accuracy, influenced by people whose agenda may not be as well-directed as yours.

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Beyond helping your employees do their job, sharing the underlying reasoning behind your directives in all of your communications is a wonderful discipline to instill on yourself.

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Not only is secrecy over-rated, but when extended too broadly, it can be destructive. It impedes teaching, as without the relevant context and information employees will not know how best to direct their efforts. And it is also de-motivational, as no one appreciates being left out of the loop. Conversely, when you share important information openly and candidly you are far more likely to inspire and energize your people in pursuit of the company's objectives.

A related principle — one that is helpful to keep in mind as a guide to help you remain open and candid — is to respect the intelligence of all with whom you communicate. All of us receive a steady flow of

communication from a wide variety of sources — politicians soliciting our vote, co-workers seeking our cooperation, and social acquaintances or family members in search of friendship or help, just to name a few. If you were to do a careful analysis of which communications are successful in motivating you towards action, you're likely to find that one of the key delineators is the degree to which the speaker either talked down to you or treated you as an equal. CEOs who remember that their title makes them no better a person than the hourly worker in the call center or assembly line communicate in a way that says, "we're just two people with different jobs and different areas of expertise." These CEOs are more likely to naturally communicate openly and candidly, and in the process, they are also more likely to engender the enthusiasm and loyalty of their employees.

To extract maximum value from your investment in communicating, it is important to share with your audiences the reasoning behind your decisions, and not just the decisions themselves. Because the world is complex and ever-changing, after you've given direction to an audience and then moved on, unexpected variables are likely to surface which raise new questions about their course of action. If your communication is narrowly focused on what to do, then they may not make the right decision as to how to adjust.

On the other hand, when you share the thought process, trade-offs and reasoning behind your directives with your audiences, then you've not only directed them but taught them as well, and as a result they will be better equipped to make good decisions when adjustments become necessary. The more all understand the vision, the strategy, the operating plan and the enlightened team principles that are driving the company, the more effective they can be in doing their part to keep the organization on course to achieve its objectives.

Beyond helping your employees do their job, sharing the underlying reasoning behind your directives in all of your communications is a wonderful discipline to instill on yourself. When you find yourself struggling to explain a decision, or moving quickly past it because you sense that the reasoning won't stand up to close scrutiny, then what *you've* probably learned is that the decision may be suspect and you have more work to do. (Often in these cases, you'll discover that the reason you can't justify the decision to others is because it is grounded

in your personal concerns or needs rather than what is truly best for the company.)

Furthermore, when you know that you will have to justify your directives to others, you'll learn to fully check the logic *before* you communicate your decision — as you'll remember how uncomfortable it felt standing in front of an audience with only incomplete or poor reasoning. You'll more reliably ensure that your decisions are correct before you disseminate them — which is another reason why enlightened communication helps produce not only more informed and motivated employees, but also more effective CEOs.

In order to maximize your learning from communication, it needs to be as two-way as possible. In all of your interactions, the more you discipline yourself to listen carefully, the more you will learn. In particular, you should train yourself to probe for not only the obvious message, but also for deeper levels of what is really on the speaker's mind. As CEO you are likely to be an intimidating figure, which will cause employees to test the waters before delivering their true message. When you cut off discussion or respond too quickly, you are likely to lose the truly valuable part of the communication — which may be lurking just beneath the surface.



Employees need to be full partners in the communications process — trusted not only to hear information, but to understand it in its full complexity, and to feed back their contribution to the decisions faced by the company.



The principles of enlightened communication which we've described — pervasiveness and frequency; openness and candor; respect for employees' intelligence; underlying logic; and communicating in both directions — are all grounded in the overarching principles of *humility* and *trust in your people*. Truly enlightened communicators — those who can go beyond merely giving a snappy speech and instead inspire large numbers of people over sustained periods of time — have found genuine humility. They recognize that in the face of significant challenges and opportunities, they do not have all the

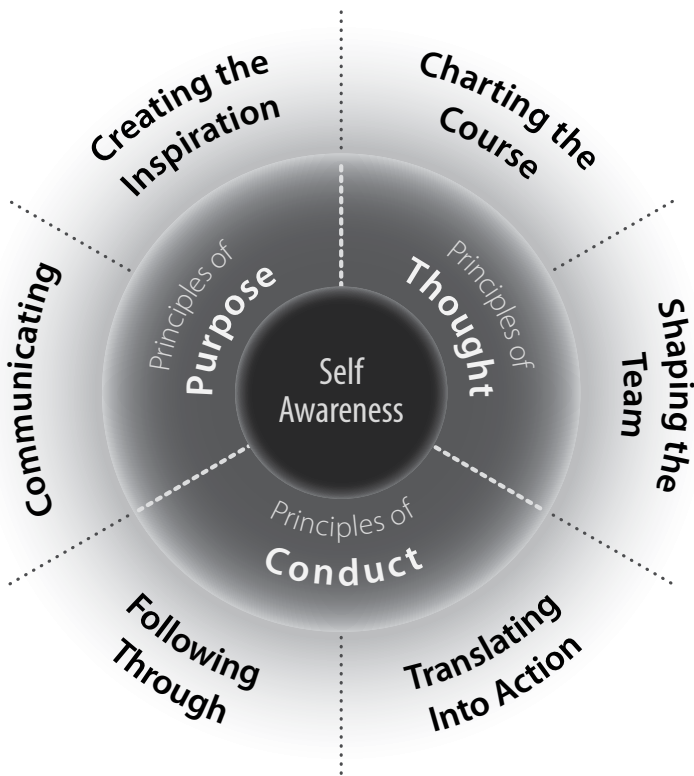
answers. They know that no CEO — no matter how talented — has much power to succeed on his own. Instead, he needs the willing, informed and carefully orchestrated cooperation of everyone in the organization, which is only achievable when communication is given the attention it deserves.

Furthermore, these CEOs appreciate that for the whole organization to work together, their people need to be more than mere recipients of information. Instead, they need to be full partners in the communications process — trusted not only to hear information, but to understand it in its full complexity, and to feed back their contribution to the decisions faced by the company.

Finally, it is not possible for you get away with faking this humility and trust for very long. You either genuinely appreciate the value of full communication with your people, or you don't. When you are insincere, it will be readily apparent to others and your attempt to inspire energy, effectiveness and loyalty will be correspondingly diluted.

As a result, the true foundation for the skilled fulfillment of your sixth role as CEO resides all the way back at the core of the enlightenment principles of Part III — self-awareness. When you search inside yourself and reflect honestly about what has kept you from getting to the next level — when you recognize that you can't do it all yourself and that you've not yet captured the full power of the organization — then you will have found genuine humility. And when you do so, you will be ready to trust in the good intentions, skills and power of your people which, under your stewardship, can create a truly stellar company. With a foundation of self-awareness, humility and trust, you will be ready to become a truly enlightened communicator.

PART X: YOUR FUTURE AS CEO



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