

# CHAPTER 16

BEFORE YOU READ take an *Overview* of the subject matter by *Assessing Your Prior Knowledge*. AS YOU READ apply the new *Reading Technique*, learn the *Vocabulary*, and complete a *Language Activity*. AFTER YOU READ check your understanding through *Fact and Idea Review*, *Critical Thinking Question*, *Guided Discussion*, *Authentic Assessment*, and *Mini-Quiz*.

## In Search of Leadership

### A talk with headhunters turned authors Citrin and Neff

What makes a leader? That's the question star headhunters Thomas J. Neff and James M. Citrin of Spencer Stuart try to answer in their recent book, *Lessons from the Top: The Search For America's Best Business Leaders*. The authors, who have conducted hundreds of high-profile executive searches, interviewed 50 of Corporate America's best leaders. The executives they chose—based on extensive polling and financial analysis—work in every sector of the economy, from Stephen M. Case, CEO of America Online Inc., to Donald V. Fites, former chief executive of Caterpillar Inc. Despite vast differences in personality and in the kinds of companies these executives lead, Neff and Citrin found that there were important traits shared by most. On Oct. 26, the authors talked with Management Editor Jennifer Reingold to discuss their findings.

**Q:** Let's talk about some of the similar characteristics you found among these executives.

**CITRIN:** We came in with two questions: What is, in fact, great business leadership? And what do great leaders have in common?

**NEFF:** What was clear with everyone we sat down with was that they were passionate about what they were doing. They loved to talk about it. Also, the job today is so enormously demanding that you have to have a high energy level. They work an average of 65 hours per week. When the passion gives way, that's when you know it's time for that person to move on.

**Q:** Still, plenty of energetic and passionate people have failed. What else is there?

**NEFF:** There's a clarity of thinking. They are focused, they know where they are heading, and they are able to communicate with a wide audience.

**Q:** Is that something that has changed over time?

**NEFF:** I think it has changed as the requirement of the top has moved more from managers to leaders.

**Q:** That's an interesting comment—what exactly is the difference?

**NEFF:** Well, it wasn't too many years ago that the dictatorial approach, the command-and-control management style, was accepted. Today, it's more about working through people, being more of a leader and empowering other executives on the team to carry out the mission.

**Q:** But how do you know this isn't simply today's fad, in an environment in which talent is scarce? Won't managers be rewarded for **slashing and burning** again as soon as there's a **downturn**?

**CITRIN:** We're not trying to pretend to be sociologists or anything, but it is clear that the dynamics of the labor market have given more power to talented employees. Jack Welch talked about this. People in the organization have the exact same information at about the same time as a person at the top, so you can't manage through the old [adage] "information is power."

**Q:** The book also outlines six key principles shared by top leaders, including the importance of developing a winning "big idea." Who does this well?

**CITRIN:** A good example is Hans Becherer, CEO of Deere & Co. He talked about trying to remake the company from an equipment maker into an Information Age company. There has been a lot of waste over time because farmers haven't had the information to treat different parts of the field with different seeds, different fertilizers. Now, Deere is building an information network that will give farmers real-time information on weather and soil conditions in different parts of the field. They are in the process of building their own proprietary information network, and by doing that they are trying to remake the whole agricultural industry.

**Q:** I was surprised at how many of the business leaders had strong family structures. A full 42 of the 50 are still married to their original spouse—a sharp contrast with the national divorce rate. What does that mean?

**CITRIN:** The conventional wisdom says that there is a trade-off. You can have success in work or

success in family—you can't have both. The reality is that a strong family life and success on the home front actually contribute to professional success. A lot of the CEOs talked about the role that their spouse plays in helping them be successful.

Q: There were just four women on your list—Elizabeth Dole, Shelly Lazarus of Ogilvy & Mather, Carol Bartz of Autodesk, and Martha Ingram of Ingram Industries. It's interesting that they apparently haven't gotten to a point where other captains of industry are citing them as leaders.

NEFF: Or they haven't been in the larger companies long enough. We started [compiling our list] almost two years ago. I suspect if you did this today there would probably be three [more] women from the Internet world alone.

Q: What impact has this book had on your approach to executive search?

CITRIN: Although we ask our clients what is important to them, now we also remind them of some other things that are important in successful companies. We invited Henry Kravis at Primedia to read the book in its galley version. It really helped shape [their search for a new CEO] and helped the conversations with the board in measuring candidates. We crafted a search specification that incorporated these principles. [Kravis is a founding partner at Kohlberg Kravis Roberts & Co, a leveraged buyout firm that controls Primedia. Primedia ultimately chose Tom Rogers, formerly an executive vice-president at NBC.]

Q: Most of the folks in this book are people who have been around for some time and have

been very successful in the pre-Internet environment. A lot of them made their reputations by managing costs. Is that kind of success relevant in this Internet-driven growth economy?

NEFF: That's the \$64,000 question.

CITRIN: Last month we sat down with a group of about 30 CEOs. We went through the six principles that we believe define great business leadership. We asked them how this list applies in the digital age and how it needs to be adapted. The feedback [made us believe] that these principles absolutely work. So using Internet speed and getting quick feedback and adapting is really embodied in our principle of creating a flexible, responsive organization.

Q: What about the other principles?

CITRIN: They apply, too. This was brought to life by a board member who paid a confidential visit to me a few weeks ago. The board was having some issues with the CEO of one of the most well-respected public Internet companies. The company is doing well, and the stock is doing well, but turnover is increasing, and morale is sinking. I looked at the principles and said: 'Let's talk about how the CEO does or does not do these six things.' And we found major gaps. There was a great strategy, but the person did not inspire employees. In general, someone who doesn't live with integrity or lead by example, even if they have a great idea and a market niche, won't be an enduring winner.

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## BEFORE YOU READ

### Overview

What traits and qualities do the fifty top corporate leaders in America share? Will their management styles still be valid as the global economy swings into full digital mode? These are just two of the questions that headhunters-turned-authors explore in *Lessons from the Top: The Search For America's Best Business Leaders*. Passion, persistence, personality, and poise are now the recipe for success for leaders of the Internet Age.

**Assessing Prior Knowledge**

1. Think of a situation when you worked with a leader whom you admired and respected very much. What traits or qualities did this person have that made you want to work harder? Did you want to emulate this leader? How were you motivated to reach your goals?

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2. When things are going well in your family life do you tend to do better in school? Do good friendships have an influence on your academic success? Why do you think these factors greatly contribute to a person's ability or desire to achieve goals?

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**AS YOU READ****Reading Technique**

You have been accepted for the position of head counselor at a summer camp, and you want to learn more about leadership. You have decided to read this article to pick up any advice on how to develop good leadership skills. On a separate piece of paper, write several questions to guide your reading in order to find some answers.

## Vocabulary

**dictatorial** A person who uses absolute authority or seizes control in an autocratic fashion; domineering.

**slashing and burning** To cut and destroy swiftly, as with the sweeping stroke of a sharp object.

**downturn** A declining trend or tendency especially in business activity.

**adage** A well-known proverb.

**proprietary** Owned, controlled, or belonging to a private person or company; having the right to sell or hold property.

**trade-off** An even or fair exchange.

**captains of industry** Top leaders within the business world whom hold the highest rank and most influence.

**galley version** A rough draft of something printed (e.g., a book) that often has wide margins for marking corrections.

**search specification** A list of requirements used in recruiting employees.

**market niche** A suitable place or position for the buying, selling, or trading of particular products or services; a specific segment of the population that marketing campaigns intentionally target to achieve the greatest profitability.

## Language Activity

The article mentions the adage, "information is power." What does this mean? On a separate piece of paper, give some examples of how it may apply in the world. In addition, think of several other adages that are commonly used in the English language.

## AFTER YOU READ

### Fact and Idea Review

1. What are some of the similar characteristics that the authors found among the successful executives they interviewed?

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2. How have the requirements for executive leadership changed? How are the management styles different today?

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3. Today's businesses are giving more power to all talented employees instead of just superiors. Why is this delegation of authority crucial in today's global economy?

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4. How is this book's content influencing the way companies are conducting executive searches?

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**Critical Thinking**

Compare and contrast a strong family structure with the workplace. What do the two environments have in common? Why would a successful executive be just as likely to replicate success in his/her personal life?

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**Guided Discussion**

Women have made great strides in the Internet Age. Analyze how the Web has made entrepreneurship more accessible to everyone. Discuss with your classmates these differences versus traditional storefront businesses.

## Authentic Assessment

### Interview a Business Leader

Suppose that your class decides to publish a book on leadership. Each student has to interview one business leader from the local community. There must be as many women interviewed as men in order to attain a balanced perspective. Afterwards, the whole collection will be combined. Decide whether the class's interviews are similar to the article's subjects.

## Mini-Quiz

### Matching

Please Match the management idea in left column with its corresponding concept in the right column.

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|------------------------------------|--|
| 1. Command-and-control             | a. Hire people whose skills and management style experiences complement one's own. |
| 2. Create a flexible workplace     | b. Digital speed demands quick feedback and adaptation.                            |
| 3. Inspire employees to succeed    | c. Outdated adage due to increased delegation to talented employees.               |
| 4. Executive search specification  | d. Contingency approach.   |
| 5. Live with integrity             | e. Compensation consistent with an organization's values.                          |
| 6. The "Big Idea"                  | f. Dictatorial approach.   |
| 7. Build a great management team   | g. Communicate, listen, tolerate failure as a learning experience.                 |
| 8. Reinforcing management systems  | h. Need for affiliation enhanced by this condition.                                |
| 9. Information is power            | i. Deere & Co.'s proprietary information network.                                  |
| 10. Strong family life and success | j. Aligned with trait theory—built on the trust in senior management.              |
| 11. Internet-driven growth economy | k. Criteria for headhunters.   |
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