

Succeeding as CEOs: Perspectives and Guidelines for B-School Alumni

Prasad Kaipa, Ph. D. CEO, SelfCorp

pkaipa@selfcorp.com (408) 871-0462

Executive Summary

For the past 13 years, I have been working with executives in companies like Boeing, Cisco, Ford, BAE Systems, HP, and Sun, in addition to many entrepreneurial ventures. As a director, as a coach, and as an advisor, I have seen some of the struggles and successes up close and personal. With the call for new blood in the CEO ranks, thanks to many corporate scandals, I believe there is a tremendous opportunity for those of us trained and inclined to participate at the executive management level. In this short article, I summarize some of the key lessons that I have learned with my clients: 1) Being a CEO requires paying constant attention to the leadership role, organizational culture, strategy, and structure, as well as their interdependencies. Ignore any one of them and the rest collapses in time—hence the need for operating with a big picture perspective. 2) The four cornerstones mentioned above have reflexive relationship with each other. When you master those relationships, you develop new awareness in the areas of vision, execution style, organizational governance, decision-making, will power, and motivation. Finally, leaders have to guard against their own familiar temptations and shadows as they could potentially bring down both the organization and the CEO if sufficient awareness and attention are not cultivated.

Highly publicized issues regarding companies like Enron, Worldcom, and Global Crossing, focus has returned to the qualities of an effective chief executive officer. As Business School graduates because of our background values, training, vision, passion, and our ability to learn, we have natural potential for candidacy to the role of Chief Executive Officers. In general, we should concentrate on moving from back offices to front offices. That requires some work on our part.

Well known business schools have done a great job in selecting people with very high IQs to join them and train them. Our schools use academic performance and leadership potential as gating factors to admit students. That has advantages and disadvantages. We are able to excel in being specialists, researchers, innovators and entrepreneurs. *But as we move from entrepreneurs to executives, can we develop soft skills that are required for us to be great CEOs?*

Stanford, Wharton, Harvard, INSEAD, Kellogg, and many other top management schools have excellent executive education programs to prepare us for senior positions. But most of us do not have the institutional training. We learn on the job. These recommendations, from my 13 years of experience of coaching CEOs and senior executives, are for them. I have found myself repeatedly coming back to these principles identified here as broad generalizations.

The Big Picture

Always maintain your perspective and do not get lost in the details. While our training has given us the capabilities to see the big picture, many of us do get lost in the details and lose perspective. In particular, egos should not get in the way of a broad perspective. Pay attention to other stakeholders, when dealing with your ecosystem members such as customers, investors, employees, and suppliers.

Once you set your objectives, both in terms of the big picture and long term deliverables, your ability to deal with details becomes easier and communication becomes more effective. Positions based on past experiences, knowledge or egos can be detrimental.

If you come from marketing, don't assume that you know what your new VP of marketing is doing. Ask questions and see whether or not the answers fit in to the big picture. My experience is that we often assume too much and do not ask enough questions. Presuming that asking questions is not smart can be a detrimental, arrogant attitude.

Cornerstones of Effective Management

Next I discuss leadership, strategy, culture and structure. These four areas are interconnected and are the cornerstones of effective management.

Leadership

Take your leadership role seriously --your job is to get the results through others. Be clear that leadership and motivating others are the keys to your success. If you want others to produce outstanding results, you have to enroll them, inspire them, give them important and meaningful jobs to do, and clarify their roles and responsibilities. Jim Collins writes in his book "Good to Great" that for great leaders "*who*" questions come before "*what*" decisions—before vision, before strategy, before organization structure, before tactics.

A recurring trait among many of us is that we like to take a Command and Control approach to leadership. When things are going fine, we are willing to be more accommodating but when we are under stress, we behave differently.

"We tell you what to do and it is your job to execute" is the underlying attitude that others pick up around successful executives.. Do you use words like 'stupid,' or 'moron' in describing others in private? You can count on that attitude being picked up by others through your body language! Your ability to lead others depends on watching your attitude as well as your actions.

Strategy

Focus on the strategy and let others come up with tactics. CEOs have to develop a strategic mindset and learn to distinguish between corporate strategy, competitive strategy, product strategy, and business strategy. Many future executives know how to deal with strategy when we focus on a strategic plan but don't know how to think strategically on our feet. Consequently, we fumble when the market, economy, or competition changes drastically during execution.

Your company's ability to endure a down market comes from the clarity of your strategy and its connection to the big picture. Make sure your bright mind does not cloud your perspective and slow down your decisions. We rely too much on our quick minds. I highly recommend that you meditate, take a walk, or listen to music for a few minutes and then come back to the task at hand.

Your decision-making apparatus has to depend upon validating decisions strategically instead of coming up with different tactics to deal with different scenarios. You have to learn to let others come up with tactics even if they are not as brilliant as your tactics could be! Stay focused on your strengths and not on what you *can* do.

Culture

Pay close attention to the organizational culture. This is where I found many of us highly trained and educated individuals fumble. We need to give more credence to what we cannot measure or

see clearly. Learn how things are done in the organization and what effects, resistance and support your actions engender through the ranks. Be aware that your seemingly innocuous actions could be interpreted very differently by old timers. Yes, people do think very differently and yes, it might not be the best way to interpret it but they are not wrong – just different. When you join a new culture, meet with different people in different organizations and ask them to tell you stories about what makes the company/division special for them. Listen to them – both what they are saying and what they are leaving out. As an B-school alum, you may interrupt because you feel that you understand what they are saying before they even finish their sentence. Don't. That is a sure way to fail.

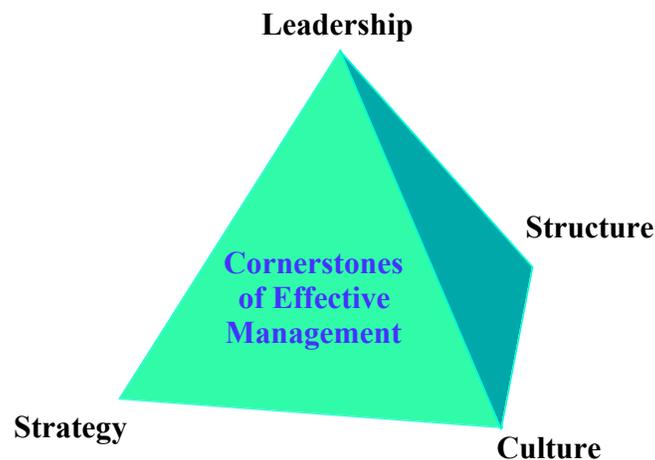
Structure

Do not attempt to alter organizational structures until you are clear about what is working and what is not. As a B-school graduate, you might feel that you know what you want and that speed is the solution to all problems. Leadership, strategy, culture and structure are all interconnected and changes in any one mean that the others will require major re-work. Structures affect people viscerally and each structural change creates more disruption than you might imagine. Don't assume that you understand the impact of what you are doing on others. Ask and listen carefully. Motivation and inspiration are triggered by structures that are aligned with leadership, culture and strategy.

Structures determine whether

- teamwork takes root in the organization,
- governance is smooth or rocky,
- overheads are competitive or out of proportion to revenues,
- collective decision making is working or not, and
- communication is meaningful or considered disruptive.

Now that I have laid out four cornerstones for CEO success, let me say that they pull you in four different directions. Think of them as four corners of a tetrahedron.



Each edge of the tetrahedron represents the reflexive relationship between the two corners, and when mastered will give you additional competency. The six competencies (representing the six relationships between the four cornerstones) are vision/perspective, governance, execution style, decision-making, will power, and motivation. (I am not going into the discussion of how the four

corners and six edges represent organizational DNA and what that means in this short article. Ask me if you want to know more about organizational DNA or personal DNA).



1. Create a **shared vision** in the organization. When you work with customers, find a way to align their vision with yours to create synergy. Remember that vision stays alive when leadership is provided that aligns with the strategy that you adopt. When there is a gap between words and action, vision fizzles out in the organization. I found that many of the graduates I worked with are great in articulating and remembering the vision, but their actions are, often, inconsistent with their words. We often mistake ‘knowing’ for our ability to act upon our knowledge. Are you guilty of having a big gap between your intentions and behaviors? People imitate your actions and ignore your words if you are not careful.
2. **Organizational governance** is what enhances trust, loyalty, and commitment in the organization. When actions, policies, structures are aligned with vision and strategy, employees are more motivated, suppliers are more committed, products are of higher quality, and customers are more satisfied. Typically, this is an area where we tend to take things for granted. Because the issues are not global, appealing or mission critical, we tend to gloss over them. Pay extra attention to this area. Small changes will pay off in a big way for you.
3. **Execution style** is what differentiates one CEO from another. It includes sharing the credit, taking the responsibility for results, communicating effectively, following ethical guidelines, and being authentic. If you grab all the credit and shift all the blame to your team, you will not last long in the CEO role. The key to longevity is your ability to share the credit. This is another area where we have to pay special attention. Take responsibility for producing results and make sure you make extra effort in acknowledging and appreciating others on your team. Inspire commitment and loyalty in your employees by your authenticity and ethics. No one is above the law and no, you will not be treated differently because you are so smart and capable. Make sure you are not operating on the edge of being legal. Communicate clearly, honestly, and in a timely fashion. Learn to say, “I don’t know.” This is very difficult for us to even admit to ourselves let alone to others. Vulnerability and humility are keys to winning others over to your side. In *Good to Great*, Jim Collins suggests that great leaders as “quiet, humble, modest, reserved, shy, gracious, mild-mannered, self-effacing, understated”, and do not believe in blowing one’s own trumpet.

4. **Decision-making and discrimination** differentiate great CEOs from good CEOs. Great CEOs take decision making seriously and rigorously, but are not known to make ruthless decisions. Pay special attention to this! I found that over 60% of senior executives I worked with have difficulty in controlling their tongue and make poor decisions. Many times, we make flippant comments, tell racial jokes, make insensitive comments in the name of being “frank and straight.” Knowing when to speak up and when to shut up, when to blow your trumpet and when to praise and acknowledge others is the key to enrolling others on your team. Sen. Trent Lott lost his job as the majority leader in US congress because he did not know what to say when and to whom.
5. **Will power** and ability to stay with what is important is critical for a great CEO. Great leaders, according to Jim Collins, are fanatically driven, have workmanlike diligence, possess a fierce professional will coupled with personal humility, and look at others to attribute success. Do you feel that you are willing to stay with an idea or market or person until it pays off? I am not suggesting that you be bull-headed or stubborn and lose the confidence of your board, but once you make an intelligent choice, stick with it until it produces results. Mentoring bright and committed youngsters and making them succeed is a quality that many of us need to develop consciously.
6. **Motivation** and inspiration is what effective CEOs are all about. First become clear about your motivation for becoming a CEO. Power, name and money are drivers for everybody, but which one is most important to you? The clearer you are in identifying your core motivating factor and making it work for you, the more effective you become. Do people feel great and feel competent when they spend time with you? Do people become more successful when they work with you? Do people want to come and work with you and for you? These are some of the metrics you might want to use in assessing how effective you are in motivating others. Your awareness of your motivating factors allow you to shift focus to service, contribution and generosity as you mature. Your awareness will also inspire and motivate others to develop their self-knowledge.

Another popular word for self-knowledge is emotional intelligence. As individuals who have been around many, many smart people, we have done a great job in selecting high IQ people to join them and excel in hard skills. But it is up to us to develop emotional intelligence. Daniel Goleman and others write in *Primal Leadership* that emotional intelligence has two dimensions: personal competence and social competence. Self-awareness, self-assessment, self-confidence, self-control, transparency, adaptability, achievement orientation, initiative, and optimism all are capabilities that underlie personal competence. Empathy, organizational awareness, service orientation, inspiring leadership, a large circle of influence, developing others, being a change catalyst, managing conflicts effectively, building bonds and evoking teamwork and collaboration are what determine how we manage relationships and demonstrate social competence.

Downside of a CEO

With the cornerstones and competencies laid out, let me talk about temptations and shadows that CEOs must guard against. Many of us who read this piece did not understand that these are significant issues that could sabotage their growth and contribution. When I talk about **core**

incompetence, I mean our inability to catch our own temptations and being unaware of our shadows.

Great CEOs are aware of their temptations. Patrick Lencioni talks about the five "temptations" of the work place in his book *Five Temptations of a CEO*: desires to jealously guard career status, consistently remain popular with subordinates, unfailingly make correct decisions, constantly strive for an atmosphere of total harmony, and always appear invulnerable. Many B-school grads I have come across fall prey to the first two and the last one. How about you?

Parker Palmer eloquently speaks about five shadows of leadership that CEOs have to watch out for in his excellent book *Let Your Life Speak*. The five shadows are 1) a deep insecurity about self-worth and identity, 2) a universe is essentially hostile to human interests and that life is a battleground, 3) an ultimate responsibility for everything rests with me or functional atheism, 4) fear leading to controlling behaviors and disempowering cultures, and 5) denial of death of self and the organization. When we do not pay attention to these shadows, we project, protect, control, fight and deny our shadows on others and the organization. We have to especially watch out for shadows 1, 3 and 4.

Despite many generalizations, these guidelines are projected to help you become an effective leader and successful CEO. Recognize which ones you need to pay attention to and which ones you have mastered. The principles look easy and simple when you read them, but are difficult to practice and require constant attention. They have to become 'mantras' that stay always in the back of your mind and guide your behavior for you to succeed and grow!

These are some of the Good references to follow up and to learn more about being a good leader/CEO is listed below.

1. *Good to Great* by Jim Collins, HarperBusiness.
2. *Primal Leadership* by Daniel Goleman, et. al, Harvard Business School Press.
3. *Five Temptations of a CEO* by Patrick Lencioni, Jossey-Bass.
4. *Let Your Life Speak* by Parker Palmer, Jossey-Bass.
5. *Stewardship* by Peter Block, Berrett-Koehler.
6. *The First Mile: Essentials of Entrepreneurship*, The Human Equation Chapter, John Wiley.
7. *The Art of Accomplishment* by Prasad Kaipa www.mithya.com/learning/index.html.

Acknowledgments: I appreciate comments, editing and reflections by Bob Stillerman, Art Lerner, Partha and Swetha Ranganathan, Sylvia Welner, Doug Walton, Sunil Malhotra, Mahesh Pakala, and Ketan Mehta.

Author bio: Prasad Kaipa, Ph. D. is the CEO of SelfCorp, a CEO and executive development company. Prasad has been a director, advisor, consultant of many Fortune 500 companies and startups in USA, UK, and India. He is a trustee of Society for Organizational Learning and the director of the TiE Entrepreneur Institute. Prasad specializes in CEO coaching and executive team development. Visit www.selfcorp.com or email at pkaipa@selfcorp.com or call (408) 871-0462 for further dialogue.