Leadership in a (Permanent) Crisis

by Ronald Heifetz, Alexander Grashow, and Marty Linsky

When the economy recovers, things won’t return to normal—and a different mode of leadership will be required.
Hunker Down—or Press “Reset”

The danger in the current economic situation is that people in positions of authority will hunker down. They will try to solve the problem with short-term fixes: tightened controls, across-the-board cuts, restructuring plans. They’ll default to what they know how to do in order to reduce frustration and quell their own and others’ fears. Their primary mode will be drawing on familiar expertise to help their organizations weather the storm.

That is understandable. It’s natural for authority figures to try to protect their people from external threats so that everyone can quickly return to business as usual. But in these times, even the most competent authority will be unable to offer this protection. The organizational adaptability required to meet a relentless succession of challenges is beyond anyone’s current expertise. No one in a position of authority—none of us, in fact—has been here before. (The expertise we relied on in the past got us to this point, after all.) An organization that depends solely on its senior managers to deal with the challenges risks failure.

That risk increases if we draw the wrong conclusions from our likely recovery from the current economic downturn. Many people survive heart attacks, but most cardiac surgery patients soon resume their old ways: Only about 20% give up smoking, change their diet, or get more exercise. In fact, by reducing the sense of urgency, the very success of the initial treatment solves the immediate problem of survival, inadvertently lets patients off the hook for changing their lives to thrive in the long term. High stakes and uncertainty remain, but the diminished sense of urgency keeps most patients from focusing on the need for adaptation.

People who practice what we call adaptive leadership do not make this mistake. Instead of hunkering down, they seize the opportunity of moments like the current one to hit the organization’s reset button. They use the turbulence of the present to build on and bring closure to the past. In the process, they change key rules of the game, reshape parts of the organization, and redefine the work people do.

We are not talking here about shaking up an organization so that nothing makes sense anymore. The process of adaptation is at least as much a process of conservation as it is of reinvention. Targeted modifications in specific strands of the organizational DNA will make the critical difference. (Consider that human beings share more than 90% of their DNA with chimpanzees.)

Still, people will experience loss. Some parts of the organization will have to die, and some jobs and familiar ways of working will be eliminated. As people try to develop new competencies, they’ll often feel ashamed of their incompetence. Many will need to renegotiate loyalties with the mentors and colleagues whose teachings no longer apply.

Your empathy will be as essential for success as the strategic decisions you make about what elements of the organizational DNA to discard. That is because you will need people’s help—not their blind loyalty as they follow you on a path to the future but their enthusiastic help in discovering that path. And if they are to assist you, you must equip them with the ability to perform in an environment of continuing uncertainty and uncontrollable change.

Today’s Leadership Tasks

In this context, leadership is an improvisational and experimental art. The skills that enabled most executives to reach their positions of command—analytical problem solving, crisp decision making, the articulation of clear direction—can get in the way of success. Although these skills will at times still be appropriate, the adaptive phase of a crisis requires some new leadership practices.

Foster adaptation. Executives today face two competing demands. They must execute in order to meet today’s challenges. And they must adapt what and how things get done in order to thrive in tomorrow’s world. They must develop “next practices” while excelling at today’s best practices.

Julie Gilbert is evidence that these dual tasks can—indeed, should—be practiced by people who do not happen to be at the very top of an organization. As a vice president and then senior VP at retailer Best Buy from 2000 to early 2009, she saw a looming crisis in the company’s failure to profit from the greater involvement of women in the male-oriented world of consumer electronics. Women were becoming more influential in purchasing decisions, directly and indirectly. But capitalizing on this trend would require something beyond
Adaptive Leadership in Practice

Best Buy | A senior vice president helped the company adapt to the reality that women increasingly make consumer electronics purchasing decisions.

Beth Israel Deaconess Medical Center | The new CEO helped a dysfunctional organization created through the hasty merger of two Harvard teaching hospitals adapt to modern health care challenges.

Egon Zehnder International | The founder fostered a leadership style that helped the executive search firm adapt to the rise of online recruiting and competitors’ IPOs.

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a smart marketing plan. It would demand a change in the company's orientation.

Getting an organization to adapt to changes in the environment is not easy. You need to confront loyalty to legacy practices and understand that your desire to change them makes you a target of attack. Gilbert believed that instead of simply selling technology products to mostly male customers, Best Buy needed to appeal to women by reflecting the increasing integration of consumer electronics into family life. So Gilbert headed up an initiative to establish in-store boutiques that sold home theater systems along with coordinated furniture and accessories. Stores set up living-room displays to showcase not just the electronics but also the entertainment environment. Salespeople were trained to interact with the previously ignored female customers who came in with men to look at systems.

Gilbert says that championing this approach subjected her to some nasty criticism from managers who viewed Best Buy as a retailer of technology products, not experiences. But focusing on the female purchaser when a man and a woman walked into the store—making eye contact and greeting her, asking about her favorite movies and demonstrating them on the systems—often resulted in the couple's purchasing a higher-end product than they had originally considered. According to Gilbert, returns and exchanges of purchases made by couples were 60% lower than those made by men. With the rethinking of traditional practices, Best Buy's home theater business flourished, growing from two pilot in-store boutiques in mid-2004 to more than 350 five years later.

As you consider eliminating practices that seem ill suited to a changing environment, you must distinguish the essential from the expendable. What is so precious and central to an organization's identity and capacity that it must be preserved? What, even if valued by many, must be left behind in order to move forward?

Gilbert wanted to preserve Best Buy's strong culture of responding to customers' needs. But the company’s almost exclusively male culture—“guys selling to guys”—seemed to her a barrier to success. For example, the phrase “the jets are up” meant that the top male executives were aboard corporate aircraft on a tour of Best Buy stores. The flights gave them a chance to huddle on important issues and bond with one another. Big decisions were often announced following one of these trips. After getting a call with a question about female customers from one such group visiting a Best Buy home theater boutique, Gilbert persuaded senior executives never to let the jets go up without at least one woman on board.

Because you don’t know quite where you are headed as you build an organization's adaptability, it’s prudent to avoid grand and detailed strategic plans. Instead, run numerous experiments. Many will fail, of course, and the way forward will be characterized by constant midcourse corrections. But that zigzagging path will be emblematic of your company’s ability to discover better products and processes. Take a page out of the technology industry’s playbook: Version 2.0 is an explicit acknowledgment that products coming to market are experiments, prototypes to be improved in the next iteration.

Best Buy's home theater business was one experiment. A much broader one at the company grew out of Gilbert’s belief that in order to adapt to an increasingly female customer base, Best Buy would need to change the role of women within the organization. The company had traditionally looked to senior executives for direction and innovation. But, as Gilbert explained to us, a definition of consumer electronics retailing that included women would ultimately have to come from the bottom up. Appealing to female customers required empowering female employees at all levels of the company.

This led to the creation of "WoLF (Women’s Leadership Forum) packs," in which women, from store cashiers to corporate executives, came together to support one another and to generate innovative projects by drawing on their collective experience. In an unorthodox attempt to neutralize the threat to Best Buy’s traditionally male culture, two men paired up with two women to lead each group.

More than 30,000 employees joined WoLF packs. The company says the initiative strengthened its pipeline of high-potential leaders, led to a surge in the number of female job applicants, and improved the bottom line by reducing turnover among female employees. Gilbert, who recently left Best Buy to help other companies establish similar programs, was able to realize the dual goal of adaptive leadership: tackling the current challenge and
building adaptability. She had an immediate positive impact on the company’s financial performance while positioning the organization to deploy more of its people to reach wider markets.

Embrace disequilibrium. Without urgency, difficult change becomes far less likely. But if people feel too much distress, they will fight, flee, or freeze. The art of leadership in today’s world involves orchestrating the inevitable conflict, chaos, and confusion of change so that the disturbance is productive rather than destructive.

Health care is in some ways a microcosm of the turbulence and uncertainty facing the entire economy. Paul Levy, the CEO of Beth Israel Deaconess Medical Center, in Boston, is trying to help his organization adapt to the industry’s constant changes.

When Levy took over, in 2002, Beth Israel Deaconess was a dysfunctional organization in serious financial trouble. Created several years previously through the hasty merger of two Harvard Medical School teaching hospitals, it had struggled to integrate their very different cultures. Now it was bleeding red ink and faced the likelihood of being acquired by a for-profit company, relinquishing its status as a prestigious research institution. Levy quickly made changes that put the hospital on a stronger financial footing and eased the cultural tensions.

To rescue the medical center, Levy had to create discomfort. He forced people to confront the potentially disastrous consequences of maintaining the status quo—continued financial losses, massive layoffs, an outright sale—stating in a memo to all employees that “this is our last chance” to save the institution. He publicly challenged powerful medical factions within the hospital and made clear he’d no longer tolerate clashes between the two cultures.

But a successful turnaround was no guarantee of long-term success in an environment clouded by uncertainty. In fact, the stability that resulted from Levy’s initial achievements threatened the hospital’s ability to adapt to the succession of challenges that lay ahead.

Keeping an organization in a productive zone of disequilibrium is a delicate task; in the practice of leadership, you must keep your hand on the thermostat. If the heat is consistently too low, people won’t feel the need to ask uncomfortable questions or make difficult decisions. If it’s consistently too high, the organization risks a meltdown: People are likely to panic and hunker down.

Levy kept the heat up after the financial emergency passed. In a move virtually unprecedented for a hospital, he released public quarterly reports on medical errors and set a goal of eliminating those errors within four years. Although the disclosures generated embarrassing publicity, Levy believed that acknowledging and learning from serious mistakes would lead to improved patient care, greater trust in the institution, and long-term viability.

Maintaining the right level of disequilibrium requires that you depersonalize conflict, which naturally arises as people experiment and shift course in an environment of uncertainty and turbulence. The aim is to focus the disagreement on issues, including some of your own perspectives, rather than on the interested parties. But the issues themselves are more than disembodied facts and analysis. People’s competencies, loyalties, and direct stakes lie behind them. So you need to act politically as well as analytically. In a period of turmoil, you must look beyond the merits of an issue to understand the interests, fears, aspirations, and loyalties of the factions that have formed around it. Orchestrating conflicts and losses and negotiating among various interests are the name of the game.

That game requires you to create a culture of courageous conversations. In a period of sustained uncertainty, the most difficult topics must be discussed. Dissenters who can provide crucial insights need to be protected from the organizational pressure to remain silent. Executives need to listen to unfamiliar voices and set the tone for candor and risk taking.

Early in 2009, with Beth Israel Deaconess facing a projected $20 million annual loss after several years of profitability, Paul Levy held an employee meeting to discuss layoffs. He expressed concern about how cutbacks would affect low-wage employees, such as housekeepers, and somewhat cautiously floated what seemed likely to be an unpopular idea: protecting some of those low-paying jobs by reducing the salary and benefits of higher-paid employees—including many sitting in the auditorium. To his surprise, the room erupted in applause.

His candid request for help led to countless suggestions for cost savings, including an offer

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by the 13 medical department heads to save 10 jobs through personal donations totaling $350,000. These efforts ultimately reduced the number of planned layoffs by 75%.

Generate leadership. Corporate adaptability usually comes not from some sweeping new initiative dreamed up at headquarters but from the accumulation of microadaptations originating throughout the company in response to its many microenvironments. Even the successful big play is typically a product of many experiments, one of which finally proves pathbreaking.

To foster such experiments, you have to acknowledge the interdependence of people throughout the organization, just as companies increasingly acknowledge the interdependence of players—suppliers, customers, even rivals—beyond their boundaries. It is an illusion to expect that an executive team on its own will find the best way into the future. So you must use leadership to generate more leadership deep in the organization.

At a worldwide partners’ meeting in June 2000, Egon Zehnder, the founder of the executive search firm bearing his name, announced his retirement. Instead of reflecting on the 36-year-old firm’s steady growth under his leadership, he issued a warning: Stability “is a liability, not an asset, in today’s world,” he said. “Each new view of the horizon is a glance through a different turn of the kaleidoscope” (a symbol of disequilibrium, if there ever was one). “The future of this firm,” Zehnder continued, “is totally in the hands of the men and women here in this room.”

From someone else, the statement might have come across as obligatory pap. But Egon Zehnder built his firm on the conviction that changes in internal and external environments require a new kind of leadership. He saw early on that his start-up could not realize its full potential if he made himself solely responsible for its success.

Individual executives just don’t have the personal capacity to sense and make sense of all the change swirling around them. They need to distribute leadership responsibility, replacing hierarchy and formal authority with organizational bandwidth, which draws on collective intelligence. Executives need to relax their sense of obligation to be all and do all and instead become comfortable sharing their burden with people operating in diverse functions and locations throughout the organization. By pushing responsibility for adaptive work down into the organization, you clear space for yourself to think, probe, and identify the next challenge on the horizon.

To distribute leadership responsibility more broadly, you need to mobilize everyone to generate solutions by increasing the information flow that allows people across the organization to make independent decisions and share the lessons they learn from innovative efforts.

To generate new leadership and innovative ideas, you need to leverage diversity—which, of course, is easier said than done. We all tend to spend time with people who are similar to us. Listening and learning across divides is taxing work. But if you do not engage the widest possible range of life experiences and views—including those of younger employees—you risk operating without a nuanced picture of the shifting realities facing the business internally and externally.

Creating this kind of environment involves giving up some authority usually associated with leadership and even some ownership, whether legal or psychological, in the organization. The aim, of course, is for everyone to “act like they own the place” and thus be motivated to come up with innovations or take the lead in creating value for their company from wherever they sit.

Zehnder did in fact convert the firm into a corporation in which every partner, including himself, held an equal share of equity and had an equal vote at partners’ meetings. Everyone’s compensation rose or fell with the firm’s overall performance. The aim was to make all the partners “intertwined in substance and purpose.”

Zehnder’s collaborative and distributed leadership model informed a strategic review that the firm undertook just after his retirement. In the short term, the partners faced a dramatic collapse in the executive search market; their long-term challenge was a shifting competitive landscape, including the rise of online recruiting and the initial public offerings of several major competitors. As the firm tried to figure out how to adapt and thrive in this environment, Zehnder’s words hung in the air: “How we deal with change differentiates the top performers from the laggards. But first we must know what should never change. We must grasp the difference between timeless principles and daily practices.” Again, most sustain-
able change is not about change at all but about discerning and conserving what is precious and essential.

The firm took a bottom-up approach to sketching out its future, involving every partner, from junior to senior, in the process. It chose to remain a private partnership. Unlike rivals that were ordering massive downsizing, the firm decided there would be virtually no layoffs: Preserving the social fabric of the organization, crucial to long-term success, was deemed more important than short-term financial results. In fact, the firm opted to continue hiring and electing partners even during the down market.

Rooted in its culture of interdependence, the firm adapted to a changing environment, producing excellent results, even in the short term, as it gained market share, maintained healthy margins, and sustained morale—a major source of ongoing success. Adaptive work enabled the firm to take the best of its history into the future.

**Taking Care of Yourself**

To keep yourself from being corralled by the forces that generated the crisis in the first place, you must be able to depart from the default habits of authoritative certainty. The work of leadership demands that you manage not only the critical adaptive responses within and surrounding your business but also your own thinking and emotions.

This will test your limits. Taking care of yourself both physically and emotionally will be crucial to your success. You can achieve none of your leadership aims if you sacrifice yourself to the cause.

First, give yourself permission to be both optimistic and realistic. This will create a healthy tension that keeps optimism from turning into denial and realism from devolving into cynicism.

Second, find sanctuaries where you can reflect on events and regain perspective. A sanctuary may be a place or an activity that allows you to step away and recalibrate your internal responses. For example, if you tend to demand too much from your organization, you might use the time to ask yourself, “Am I pushing too hard? Am I at risk of grinding people into the ground, including myself? Do I fully appreciate the sacrifices I’m asking people to make?”

Third, reach out to confidants with whom you can debrief your workdays and articulate your reasons for taking certain actions. Ideally, a confidant is not a current ally within your organization—who may someday end up on the opposite side of an issue—but someone external to it. The most important criterion is that your confidant care more about you than about the issues at stake.

Fourth, bring more of your emotional self to the workplace. Appropriate displays of emotion can be an effective tool for change, especially when balanced with poise. Maintaining this balance lets people know that although the situation is fraught with feelings, it is containable. This is a tricky tightrope to walk, especially for women, who may worry about being dismissed as too emotional.

Finally, don’t lose yourself in your role. Defining your life through a single endeavor, no matter how important your work is to you and to others, makes you vulnerable when the environment shifts. It also denies you other opportunities for fulfillment.

Achieving your highest and most noble aspirations for your organization may take more than a lifetime. Your efforts may only begin this work. But you can accomplish something worthwhile every day in the interactions you have with the people at work, with your family, and with those you encounter by chance. Adaptive leadership is a daily opportunity to mobilize the resources of people to thrive in a changing and challenging world.

*Note: Some of the information in this article was drawn from “Paul Levy: Taking Charge of the Beth Israel Deaconess Medical Center,” HBS case no. 9-303-008 and “Strategic Review at Egon Zehnder International,” HBS case no. 9-904-071.*

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MANAGING YOURSELF

Work + Home + Community + Self
Skills for integrating every part of your life
by Stewart D. Friedman
and related fields—to help you hone a few of the skills that business professionals often find most difficult to master. While there’s more you can do to install the three principles (you’ll find a wider range of exercises in my new book, *Leading the Life You Want: Skills for Integrating Work and Life*), the advice offered here will help you move down the right path.

**Skills for Being Real**

For well over a decade I’ve run a program called Total Leadership that teaches the three principles to executives, MBA candidates, and many others. It starts with a focus on being real—how to act with authenticity by clarifying what’s important, wherever you are, whatever you’re doing. That requires you to:

- Know what matters.
- Embody values consistently.
- Align actions with values.
- Convey values with stories.
- Envision your legacy.
- Hold yourself accountable.

The ability to do the first two things is especially crucial. Let’s begin with how to know what matters. One exercise that enhances this skill, called *four circles*, has you examine the importance and congruence of your various roles and responsibilities in life. (You can do it online at this free site: www.myfourcircles.com.) You start by drawing circles representing the four domains—work, home, community, and self—varying the sizes to reflect how much you value each. Next you move the circles to show whether and to what degree they overlap. At this point you think about the values, goals, interests, actions, and results you pursue in each domain. Are they compatible or in opposition? Imagine what your life would be like if your aspirations in all four circles, and the means by which you achieved them, lined up perfectly, like the concentric rings of a tree trunk. For most of us that’s an unattainable ideal, but what actions could you realistically take to move toward that kind of overlap? Could you change how you work, or even how you think about the purpose of your work, without diminishing the personal value you derive from it? Could you help your family to see how your business life benefits them so that they would be more supportive of it?

A complementary exercise, called *conversation starter*, encourages people to embody values consistently. This involves bringing an object from your nonwork life (such as a family photograph, a travel memento, or a trophy) into the office. If a colleague mentions it, you explain what this part of your life means to you and how it helps you at work. Then you consider asking that person to bring his or her own conversation starter. You might also take something from your work to your home and talk to your roommates, spouse, kids, or dinner guests about it. Tell them about what you do and who you are in your role at work.
focusing especially on what this might mean for them.

When Victoria, the head of marketing for a pharmaceutical company division, drew her four circles, she initially placed the biggest one, representing work, apart from all the rest. She didn’t see any real connection between her professional identity and her home, community, and inner lives. But when she began to talk about the separation with a few colleagues, friends, and family members, she came to realize that one major aspect of her mission as an executive—promoting greater health—was a lot more compatible with her other circles than she had thought.

She could also see how just a few small changes in approach might create her mission at the office as well as in her family’s support.

**Skills for Being Whole**
The second principle that Total Leadership addresses is being whole—or acting with integrity. What I mean by that is respecting the fact that all the roles you play make up one whole person and encouraging others to view you the same way. To do that you must be able to:

- Clarify expectations.
- Help others.
- Build supportive networks.
- Apply all your resources.
- Manage boundaries intelligently.
- Weave disparate strands.

**Balance is bunk.** It’s a misguided notion that assumes we must always make trade-offs among the different aspects of our lives.

much more overlap. For example, at home she started to talk more with her two daughters about the social impact of her business, sharing stories about all the ways in which her company’s medicines were saving lives. The girls responded with greater pride in, and understanding of, their mom’s commitment to work. As a team leader, Victoria began to reframe core drug-marketing tasks in terms of the products’ benefits to end users—who were all the children, spouses, parents, siblings, friends, or neighbors of someone—just like the families and communities she and her employees had. As a result, her group became more impressed and hardworking, which ultimately eased her load and gave her more time for other pursuits. Perhaps most important, Victoria felt less guilt about the way she was spending her time and energy, and newly secure in

One of the most important skills here is knowing how to apply all your resources (such as your knowledge, skills, and contacts) in the various domains of your life to benefit the other domains. An exercise that helps you do that is called talent transfer. It involves writing a résumé listing all the skills you’ve developed—from mentoring colleagues, organizing family activities, or running a church bake sale—and thinking of how each might be used to achieve different ends. Organizational psychologists call this a strength development approach: You identify your talents and then apply them in new areas, enhancing them further. Another way to do this is to reflect on something that makes you feel good—a work accomplishment, a fruitful friendship, your commitment to salsa dancing—and then consider an area of your life you’d like to improve. How might the skills you used to achieve the former help you in the latter?

To manage boundaries intelligently is another key challenge. I advise people to practice something I call segment and merge, and then decide which strategy works best when. First, think about ways to create separation (in time and space) between your different roles. You might try setting limits on yourself. For example, if there’s an ambitious work project that you’ve been putting off, try dedicating the first two hours of each Saturday morning for the next month to tackling it, and then give yourself the rest of the day off. Or, if your job keeps monopolizing your evenings, you might experiment with a “no smartphones at the dinner table” policy. Now do the opposite: Think about opportunities to bring together two or more parts of your life. You might take a child to a company-sponsored charity run or bring a coworker to a block party in your neighborhood. After you’ve tried a new way of segmenting and a new way of merging, jot down your insights about what worked and what didn’t, for both you and the people around you. Were you more or less productive? Did you find yourself more or less distracted? How did others react? Were they put off, or did they seem to feel closer to and more trusting of you?

An example of the segmenting concept in action comes from Brian, a manager in an accounting firm. In a monthlong experiment, he set aside his 40-minute train rides to and from work solely for “down-time.” He caught up on e-mails to family and friends and invested in his own development through reading and reflection—for example, by diagramming the factors affecting his sense of stability, including his stress and energy levels and his feelings about himself, his relationships, and his future. Sometimes, as an alternative to that inward focus, he had conversations with the neighbors, colleagues, and acquaintances he sat next to on the train, exchanging advice about everything from child care to real estate. This simple reallocation of commuting time—from doing work to
other things—resulted, perhaps paradoxically, in Brian's being better prepared for work and more proactive about his career progression. He also felt closer to his extended family and the old friends with whom he'd reconnected and to the people in his local community, because he was engaging with more of them on his way to the office and back. Having an after-work buffer period allowed him to reenter his home with less stress and more openness to develop new insights about how he could be a better father and husband. Personally, he also felt "more grounded and less crazed." He came to see more clearly the positive impact of rest and recovery on his performance, which led him to experiment with increasing his sleep time by about an hour a day. Again, the small shift in boundaries significantly boosted his productivity, well-being, and relationships. Everyone with whom he interacted daily noticed that he was less cranky and more energetic.

**Skills for Being Innovative**

The third Total Leadership principle is to be innovative—to act with creativity in identifying and pursuing more four-way wins. To do so, you need to:

- Focus on results.
- Resolve conflicts among domains.
- Challenge the status quo.
- See new ways of doing things.
- Embrace change courageously.
- Create cultures of innovation around you.

**Scenario exercises** are one of several effective methods of increasing your capacity to focus on results, especially on the quality of your contributions rather than the amount of time or energy you spend on them. Scenarios involve identifying a specific goal you want to achieve and then listing three alternative ways to get there, including the resources you'll need and the challenges you'll face. This sort of brainstorming encourages you to keep your eyes on the prize. Another method is experimenting with new patterns of behavior, trying activities at new times or in different places. It could be something as simple as shaving at the gym instead of at home, or practicing your trumpet at the office after hours rather than disturbing your neighbors at home. What were the pros and cons of switching up your routine? How did it affect your results?

Crowdsourcing is an exercise that helps you practice how to see new ways of doing things. To try this, gather a group of your most creative friends and describe a problem you're facing. Then ask for ideas about potential solutions and record what you hear. Select the one you think wisest, draft a plan, and try to make it happen. Stay in touch with your advisers, at least weekly, and after a month or so review your results with them. If the approach you tried didn't work, or if you need more time to solve the problem, tweak your behavior or try another idea altogether, drawing on what you learned from the first experiment.

Former Bain & Company CEO Tom Tierney took not months but years to think about and solicit advice on what would eventually become the Bridgespan Group—an independent nonprofit that was incubated in and then spun out of Bain—which provides strategic consulting and leadership development to philanthropists, foundations, and other nonprofit organizations. In the 1980s he began to think, write, and talk about his idea for what he then generically called "Make a Difference Company," picking the brains of colleagues and friends, including the likes of the presidential adviser and founder of Common Cause, John Gardner. Emboldened by those conversations, Tierney at first took small steps to move closer to his vision by, for example, volunteering for the United Way of the Bay Area while he was running Bain's San Francisco office and eventually joining the nonprofit's board. This was the first of many on which he would serve. In 1999, Tierney folded all that experience, knowledge, and crowdsourced wisdom into Bridgespan, and a year later he stepped down as chief executive of Bain to focus on the new organization.

**LEADING THE LIFE** you want is a craft. As with music, writing, dance, or any athletic endeavor, you can always get better at it by practicing. That's why I developed these exercises and many others. Start with these three big ideas: Be real, be whole, and be innovative. Understand the skills you need to accomplish each. And then commit to doing the fun and fruitful work of making them part of your leadership repertoire.

FROM PURPOSE TO IMPACT

Figure out your passion and put it to work.

BY NICK CRAIG AND SCOTT SNOOK
The two most important days in your life are the day you are born and the day you find out why.

— Mark Twain

Over the past five years, there's been an explosion of interest in purpose-driven leadership. Academics argue persuasively that an executive's most important role is to be a steward of the organization's purpose. Business experts make the case that purpose is a key to exceptional performance, while psychologists describe it as the pathway to greater well-being.

Doctors have even found that people with purpose in their lives are less prone to disease. Purpose is increasingly being touted as the key to navigating the complex, volatile, ambiguous world we face today, where strategy is ever changing and few decisions are obviously right or wrong.

Despite this growing understanding, however, a big challenge remains. In our work training thousands of managers at organizations from GE to the Girl Scouts, and teaching an equal number of executives and students at Harvard Business School, we've found that fewer than 20% of leaders have a strong sense of their own individual purpose. Even fewer can distill their purpose into a concrete statement. They may be able to clearly articulate their organization's mission: Think of Google's "To organize the world's information and make it universally accessible and useful," or Charles Schwab's "A relentless ally for the individual investor." But when asked to describe their own purpose, they typically fall back on something generic and nebulous: "Help others excel." "Ensure success." "Empower my people." Just as problematic, hardly any of them have a clear plan for translating purpose into action. As a result, they limit their aspirations and often fail to achieve their most ambitious professional and personal goals.

Our purpose is to change that—to help executives find and define their leadership purpose and put it to use. Building on the seminal work of our colleague Bill George, our programs initially covered a wide range of topics related to authentic leadership, but in recent years purpose has emerged as the cornerstone of our teaching and coaching. Executives tell us it is the key to accelerating their growth and deepening their impact, in both their professional and personal lives. Indeed, we believe that the process of articulating your purpose and finding the courage to live it—what we call purpose to impact—is the single most important developmental task you can undertake as a leader.

Consider Dolf van den Brink, the president and CEO of Heineken USA. Working with us, he identified a decidedly unique purpose statement—"To be the wuxia master who saves the kingdom"—which reflects his love of Chinese kung fu movies, the inspiration he takes from the wise, skillful warriors in them, and the realization that he, too, revels in high-risk situations that compel him to take action. With that impetus, he was able to create a plan for reviving a challenged legacy business during extremely difficult economic conditions. We've also watched a retail operations chief call on his newly clarified purpose—"Compelled to make things better, whomever, wherever, however"—to make the "hard, cage-rattling changes" needed to beat back a global competitor. And we've seen a factory director in Egypt use his
Idea in Brief

THE PROBLEM
Purpose is increasingly seen as the key to navigating the complex world we face today, where strategy is ever changing and few decisions are obviously right or wrong. At the same time, few leaders have a strong sense of their own leadership purpose or a clear plan for translating it into action. As a result, they often fail to achieve their most ambitious professional and personal goals.

THE SOLUTION
The first step toward uncovering your leadership purpose is to mine your life story for major themes that reveal your lifelong passions and values. Next, craft a concise purpose statement that leaves you emboldened and energized. Finally, develop a purpose-to-impact plan.

Effective plans:
- Focus on big-picture aspirations and then set shorter-term goals, working backward with increasing specificity
- Emphasize the strengths you bring to the table
- Take a holistic view of work and family

...and the rest of the text...

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Purpose—"Create families that excel"—to persuade employees that they should honor the 2012 protest movement not by joining the marches but by maintaining their loyalties to one another and keeping their shared operation running.

We've seen similar results outside the corporate world. Kathi Snook (Scott's wife) is a retired army colonel who'd been struggling to reengage in work after several years as a stay-at-home mom. But after nailing her purpose statement—"To be the gentle, behind-the-scenes, kick-in-the-ass reason for success," something she'd done throughout her military career and with her kids—she decided to run for a hotly contested school committee seat, and won.

And we've implemented this thinking across organizations. Unilever is a company that is committed to purpose-driven leadership, and Jonathan Donner, the head of global learning there, has been a key partner in refining our approach. Working with his company and several other organizations, we've helped more than 1,000 leaders through the purpose-to-impact process and have begun to track and review their progress over the past two to three years. Many have seen dramatic results, ranging from two-step promotions to sustained improvement in business results. Most important, the vast majority tell us they've developed a new ability to thrive in even the most challenging times.

In this article, we share our step-by-step framework to start you down the same path. We'll explain how to identify your purpose and then develop an impact plan to achieve concrete results.

WHAT IS PURPOSE?
Most of us go to our graves with our music still inside us, unplayed.

—Oliver Wendell Holmes

Your leadership purpose is who you are and what makes you distinctive. Whether you're an entreprenuer at a start-up or the CEO of a Fortune 500 company, a call center rep or a software developer, your purpose is your brand, what you're driven to achieve, the magic that makes you tick. It's not what you do, it's how you do your job and why—the strengths and passions you bring to the table no matter where you're seated. Although you may express your purpose in different ways in different contexts, it's what everyone close to you recognizes as uniquely you and would miss most if you were gone.

When Kathi shared her purpose statement with her family and friends, the response was instantaneous and overwhelming: "Yes! That's you—all business, all the time!" In every role and every context—as captain of the army gymnastics team, as a math teacher at West Point, informally with her family and friends—she had always led from behind, a gentle but forceful catalyst for others' success. Through this new lens, she was able to see herself—and her future—more clearly. When Dolf van den Brink revealed his newly articulated purpose to his wife, she easily recognized the "wuxia master" who had led his employees through the turmoil of serious fighting and unrest in the Congo and was now ready to attack the challenges at Heineken USA head-on.

At its core, your leadership purpose springs from your identity, the essence of who you are. Purpose is not a list of the education, experience, and skills you've gathered in your life. We'll use ourselves as examples: The fact that Scott is a retired army colonel with an MBA and a PhD is not his purpose. His purpose is "to help others live more 'meaning-full' lives." Purpose is also not a professional title, limited to your current job or organization. Nick's purpose is not "To lead the Authentic Leadership Institute." That's his job. His purpose is "To wake you up and have you find that you are home." He has been doing just that since he was a teenager, and if you sit next to him on the shuttle from Boston to New...
York, he'll wake you up (figuratively), too. He simply can't help himself.

Purpose is definitely not some jargon-filled catch-all (“Empower my team to achieve exceptional business results while delighting our customers”). It should be specific and personal, resonating with you and you alone. It doesn't have to be aspirational or cause-based (“Save the whales” or “Feed the hungry”). And it's not what you think it should be. It's who you can't help being. In fact, it might not necessarily be all that flattering (“Be the thorn in people's side that keeps them moving”).

**HOW DO YOU FIND IT?**

To be nobody but yourself in a world which is doing its best, night and day, to make you everybody else, means to fight the hardest battle which any human being can fight; and never stop fighting.

— E.E. Cummings

Finding your leadership purpose is not easy. If it were, we'd all know exactly why we're here and be living that purpose every minute of every day. As E.E. Cummings suggests, we are constantly bombarded by powerful messages (from parents, bosses, management gurus, advertisers, celebrities) about what we should be (smarter, stronger, richer) and about how to lead (empower others, lead from behind, be authentic, distribute power). To figure out who you are in such a world, let alone “be nobody but yourself,” is indeed hard work. However, our experience shows that when you have a clear sense of who you are, everything else follows naturally.

Some people will come to the purpose-to-impact journey with a natural bent toward introspection and reflection. Others will find the experience uncomfortable and anxiety-provoking. A few will just roll their eyes. We've worked with leaders of all stripes and can attest that even the most skeptical discover personal and professional value in the experience. At one multinational corporation, we worked with a senior lawyer who characterized himself as “the least likely person to ever find this stuff useful.” Yet he became such a supporter that he required all his people to do the program. “I have never read a self-help book, and I don’t plan to,” he told his staff. “But if you want to become an exceptional leader, you have to know your leadership purpose.” The key to engaging both the dreamers and the skeptics is to build a process that has room to express individuality but also offers step-by-step practical guidance.

The first task is to mine your life story for common threads and major themes. The point is to identify your core, lifelong strengths, values, and passions—those pursuits that energize you and bring you joy. We use a variety of prompts but have found three to be most effective:

- What did you especially love doing when you were a child, before the world told you what you should or shouldn’t like or do? Describe a moment and how it made you feel.
- Tell us about two of your most challenging life experiences. How have they shaped you?
- What do you enjoy doing in your life now that helps you sing your song?

We strongly recommend grappling with these questions in a small group of a few peers, because we've found that it's almost impossible for people to identify their leadership purpose by themselves.
You can’t get a clear picture of yourself without trusted colleagues or friends to act as mirrors.

After this reflective work, take a shot at crafting a clear, concise, and declarative statement of purpose: “My leadership purpose is...” The words in your purpose statement must be yours. They must capture your essence. And they must call you to action.

To give you an idea of how the process works, consider the experiences of a few executives. When we asked one manager about her childhood passions, she told us about growing up in rural Scotland and delighting in “discovery” missions. One day, she and a friend set out determined to find frogs and spent the whole day going from pond to pond, turning over every stone. Just before dark, she discovered a single frog and was triumphant. The purpose statement she later crafted—“Always find the frogs!”—is perfect for her current role as the senior VP of R&D for her company.

Another executive used two “crucible” life experiences to craft her purpose. The first was personal: Years before, as a divorced young mother of two, she found herself homeless and begging on the street, but she used her wits to get back on her feet. The second was professional: During the economic crisis of 2008, she had to oversee her company’s retrenchment from Asia and was tasked with closing the flagship operation in the region. Despite the near hopeless job environment, she was able to help every one of her employees find another job before letting them go. After discussing these stories with her group, she shifted her purpose statement from “Continually and consistently develop and facilitate the growth and development of myself and others leading to great performance” to “With tenacity, create brilliance.”

Dolf came to his “wuxia master” statement after exploring not only his film preferences but also his extraordinary crucible experience in the Congo, when militaries were threatening the brewery he managed and he had to order it barricaded to protect his employees and prevent looting. The Egyptian factory director focused on family as his purpose because his stories revealed that familial love and support had been the key to facing every challenge in his life, while the retail operations chief used “Compelled to improve” after realizing that his greatest achievements had always come when he pushed himself and others out of their comfort zones.

As you review your stories, you will see a unifying thread, just as these executives did. Pull it, and you’ll uncover your purpose. (The exhibit “Purpose Statements: From Bad to Good” offers sampling of purpose statements.)

HOW DO YOU PUT YOUR PURPOSE INTO ACTION?
This is the true joy in life, the being used for a purpose recognized by yourself as a mighty one.

— George Bernard Shaw

Clarifying your purpose as a leader is critical, but writing the statement is not enough. You must also envision the impact you’ll have on your world as a result of living your purpose. Your actions—not your words—are what really matter. Of course, it’s virtually impossible for any of us to fully live into our purpose 100% of the time. But with work and careful planning, we can do it more often, more consciously, wholeheartedly, and effectively.

Purpose-to-impact plans differ from traditional development plans in several important ways: They start with a statement of leadership purpose rather than of a business or career goal. They take a holistic view of professional and personal life rather than ignore the fact that you have a family or outside inter-
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<th>PURPOSE-TO-IMPACT PLANNING</th>
<th>TRADITIONAL DEVELOPMENT PLANNING</th>
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<tr>
<td>Uses meaningful, purpose-infused language</td>
<td>Uses standard business language</td>
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<tr>
<td>Is focused on strengths to realize career aspirations</td>
<td>Is focused on weaknesses to address performance</td>
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<tr>
<td>Elicits a statement of leadership purpose that explains how you will lead</td>
<td>States a business- or career-driven goal</td>
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<td>Sets incremental goals related to living your leadership purpose</td>
<td>Measures success using metrics tied to the firm’s mission and goals</td>
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<td>Focuses on the future, working backward</td>
<td>Focuses on the present, working forward</td>
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<tr>
<td>Is unique to you; addresses who you are as a leader</td>
<td>Is generic; addresses the job or role</td>
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<tr>
<td>Takes a holistic view of work and family</td>
<td>Ignores goals and responsibilities outside the office</td>
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...ment that makes changing the world seem fun and achievable"—he realized he wanted to stay on as CEO of the Ben & Jerry’s business rather than moving up the corporate ladder.

Let’s now look at a hypothetical purpose-to-impact plan (representing a composite of several people with whom we’ve worked) for an in-depth view of the process. "Richard" arrived at his purpose only after being prodded into talking about his lifelong passion for sailing; suddenly, he'd found a set of experiences and language that could redefine how he saw his job in procurement.

Richard’s development plan leads with the PURPOSE STATEMENT he crafted: “To harness all the elements to win the race.” This is followed by AN EXPLANATION of why that’s his purpose. Research shows that understanding what motivates us dramatically increases our ability to achieve big goals.

Next, Richard addresses his THOSE-TO-FIVE-YEAR GOALS using the language of his purpose statement. We find that this is a good time frame to target first; several years is long enough that even the most disillusioned managers could imagine they’d actually be living into their purpose by then. But it’s not so distant that it creates complacency. A goal might be to land a top job—in Richard’s case, a global procurement role—but the focus should be on how you will do it, what kind of leader you’ll be.

Then he considers TWO-YEAR GOALS. This is a time frame in which the grand future and current reality begin to merge. What new responsibilities will you take on? What do you have to do to set yourself up for the longer term? Remember to address your personal life, too, because you should be more fully living into your purpose everywhere. Richard’s goals explicitly reference his family, or “shore team.”

The fifth step—setting ONE-YEAR GOALS—is often the most challenging. Many people ask, “What if most of what I am doing today isn’t aligned in any way with my leadership purpose? How do I get from here to there?” We’ve found two ways to address this problem. First, think about whether you can rewrite the narrative on parts of your work, or change the way you do some tasks, so that they become an expression of your purpose. For example, the phrase “seaworthy boat” helps Richard see the meaning in managing a basic procurement process. Second, consider whether you can add an activity that is 100% aligned with your purpose. We’ve found that most people can manage to devote 5% to 10% of their time to something that energizes...
them and helps others see their strengths. Take Richard’s decision to contribute to the global strategic procurement effort: It’s not part of his “day job,” but it gets him involved in a more purpose-driven project.

Now we get to the nitty-gritty. What are the critical next steps that you must take in the coming six months, three months, and 30 days to accomplish the one-year goals you’ve set out? The importance of small wins is well documented in almost every management discipline from change initiatives to innovation. In detailing your next steps, don’t write down all the requirements of your job. List the activities or results that are most critical given your newly clarified leadership purpose and ambitions. You’ll probably notice that a number of your tasks seem much less urgent than they did before, while others you had pushed to the side take priority.

Finally, we look at the key relationships needed to turn your plan into reality. Identify two or three people who can help you live more fully into your leadership purpose. For Richard, it is Sarah, the HR manager who will help him assemble his crew, and his wife, Jill, the manager of his “shore team.”

Executives tell us that their individual purpose-to-impact plans help them stay true to their short- and long-term goals, inspiring courage, commitment, and focus. When they’re frustrated or flagging, they pull out the plans to remind themselves what they want to accomplish and how they’ll succeed. After creating his plan, the retail operations chief facing global competition said he’s no longer “shying away from things that are too hard.” Dolf van den Brink said: “I’m much clearer on where I really can contribute and where not. I have full clarity on the kind of roles I aspire to and can make explicit choices along the way.”

What creates the greatest leaders and companies? Each of them operates from a slightly different set of assumptions about the world, their industry, what can or can’t be done. That individual perspective allows them to create great value and have significant impact. They all operate with a unique leadership purpose. To be a truly effective leader, you must do the same. Clarify your purpose, and put it to work.

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A Purpose-to-Impact Plan

This sample plan shows how “Richard” uses his unique leadership purpose to envision big-picture aspirations and then work backward to set more-specific goals.

1. Create Purpose Statement
To harness all the elements to win the race

2. Write Explanation
I love to sail. In my teens and 20s, I raced high-performance three-man skiffs and almost made it to the Olympics. Now sailing is my hobby and passion—a challenge that requires discipline, balance, and coordination. You never know what the wind will do next, and in the end, you win the race only by relying on your team’s combined capabilities, intuition, and flow. It’s all about how you read the elements.

3. Set Three- to Five-Year Goals
Be known for training the best crews and winning the big races: Take on a global procurement role and use the opportunity to push my organization ahead of competitors

How Will I Do It?
• Make everyone feel they’re part of the same team
• Navigate unpredictable conditions by seeing wind shears before everyone else
• Keep calm when we lose individual races, learn and prepare for the next ones

Celebrate my shore team: Make sure the family has one thing we do that binds us

4. Set Two-Year Goals
Win the gold: Implement a new procurement model, redefining our relationship with suppliers and generating 10% cost savings for the company

Tackle next-level racing challenge: Move into a European role with broader responsibilities

How Will I Do It?
• Anticipate and then face the tough challenges
• Insist on innovative yet rigorous and pragmatic solutions
• Assemble and train the winning crew

Develop my shore team: Teach the boys to sail

5. Set One-Year Goals
Target the gold: Begin to develop new procurement process
Win the short race: Deliver Sympix project ahead of expectations
Build a seaworthy boat: Keep TFLS process within cost and cash forecast

How Will I Do It?
• Accelerate team reconfiguration
• Get buy-in from management for new procurement approach
• Invest in my shore team: Take a two-week vacation, no e-mail

6. Map Out Critical Next Steps
Assemble the crew: Finalize key hires
Chart the course: Lay the groundwork for Sympix and TFLS projects

How Will I Do It?

Six Months:
• Finalize succession plans
• Set out Sympix timeline

Three Months:
• Land a world-class replacement for Jim
• Schedule “action windows” to focus with no e-mail

30 Days:
• Bring Alex in Shanghai on board
• Agree on TFLS metrics
• Conduct one-day Sympix offsite
Reconnect with my shore team: Be more present with Jill and the boys

7. Examine Key Relationships
Sarah, HR manager
Jill, manager of my “shore team”
4 Pieces of Advice Most People Ignore (but Great Entrepreneurs Don’t)
The best founders, writes Inc.com columnist Lolly Daskal, always keep these things in mind.

1

UNDERSTAND YOURSELF
When you know your own motivations and foibles, you make smarter decisions that link clearly to your future goals.

2

NARROW YOUR FOCUS TO EARN BIG RESULTS
Any ambitious task seems vast and undoable—unless you break it down into smaller tasks and focus on them individually.

3

CREATE YOUR OPPORTUNITIES
A sure-fire way to become unhappy is to assume that life is fair. Great entrepreneurs make their own luck.

4

DOING THE RIGHT THING IS RARELY EASY
Successful leaders make hard choices for the long term.

“We lose 11 days a year in productivity because of the epidemic of sleep deprivation.”
Arianna Huffington, author of The Sleep Revolution and co-founder of The Huffington Post © inc.com/idealab