

What Your

LEADER

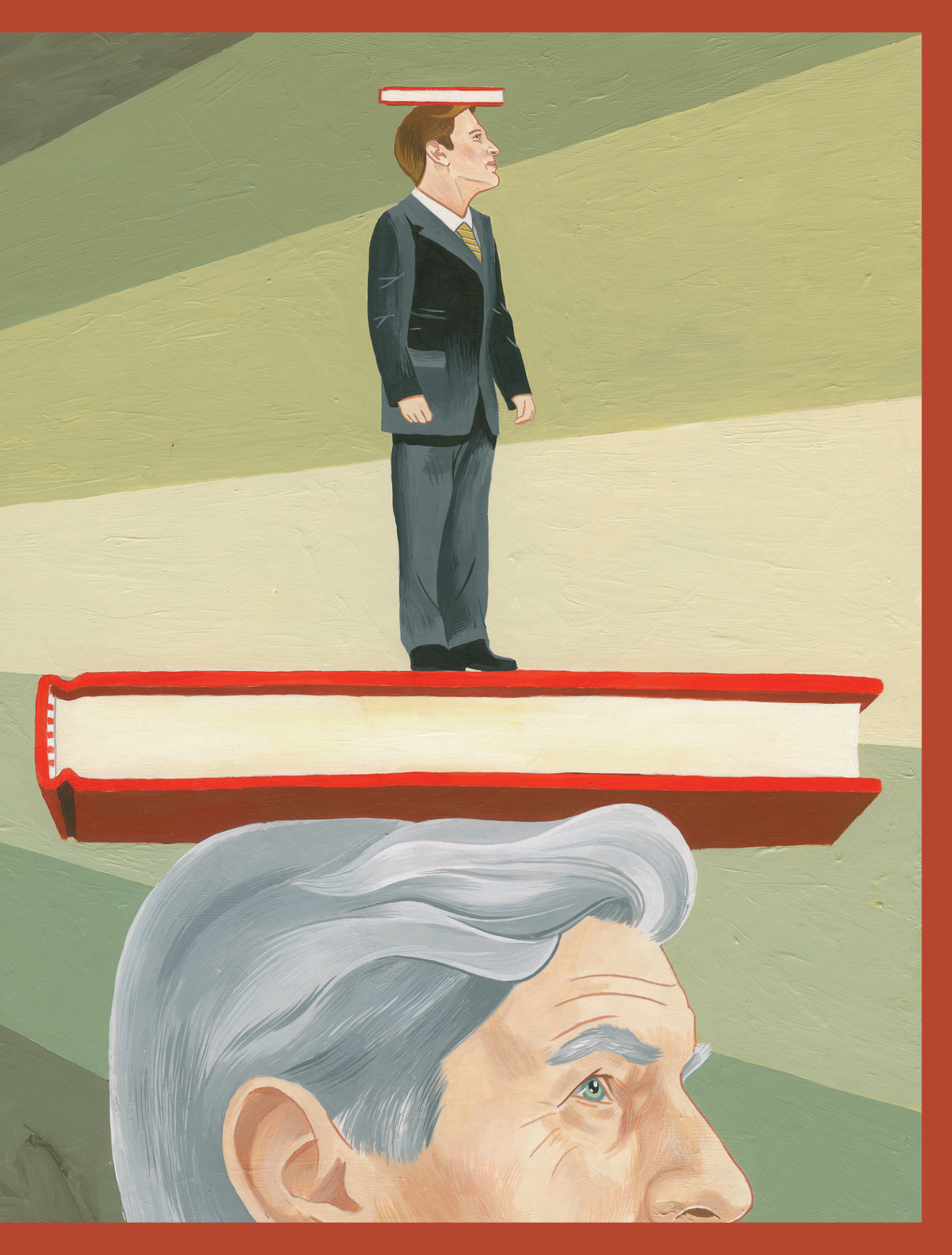
Expects of You

And what you should expect in return

by Larry Bossidy

IT'S WELL UNDERSTOOD THAT the relationships between a boss and his or her direct reports are important ones and figure strongly in the success of a team. Yet while much has been written about character traits and issues of openness and trust, the leadership literature has had strikingly little to say about what a leader should be able to expect from his people. Over the years, I've observed that certain behaviors, on the part of both the

Joshua Gorchov



subordinate and the boss, are conducive to productive and rewarding relationships. Indeed, I'll favor someone who exhibits the behaviors I expect over someone who doesn't, even if the latter's numbers are slightly better, because I know the former has the potential to contribute more to the organization over time.

In sharing the lists below – what I've come to think of as the CEO compact, a set of expectations both from and for a leader—I hope that I can help other leaders and teams improve their relationships and, as a consequence, their performance.

What I Expect from My Direct Reports

The following behaviors are powerful individually, but taken together they drive performance and growth in a way that has a significant effect on long-term results.

Get involved. Good executives know how to delegate. But more important, they know when a situation calls for their immediate involvement, whether it's in redirecting resources to a product that's suddenly taking off in the market, helping to resolve a breakdown in quality, or visiting a plant to discover why its productivity has faltered. There's no excuse for not taking responsibility when you see a problem

generally applauded in organizations. They're frequently at the periphery, because people think they're off the wall. But I want to hear what they have to say; it's my job to sift through ideas and decide which ones have merit. Often the best ideas sound crazy at first. For instance, when I got to AlliedSignal, people were very dispirited by the company's lagging performance, and I was looking for a way to raise morale. Somebody suggested that we hire a band, put out hamburgers and hot dogs at midday, and make lots of noise, so the employees would feel there was a reason for optimism. A lot of people said it was corny and wouldn't work – but it did, and it became an annual event. Another example: When sales of a particular liquid we offered declined, one manager proposed we paint the canisters bright colors instead of the industrial gray we had been using. The idea was met with derision, but we tried it, and it made a difference. Sales recovered.

As for more mainstream executives, they can come up with good ideas too, but often they are reluctant to speak out. I'm willing to give them a little push. If I'm in a meeting and people aren't volunteering anything on a controversial subject, I tell them we're going to be there for a while. The subsequent silence gets uncomfortable – eventually enough so that people start to talk. In one case, I came to a meeting

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growing. I count on my reports to take the blame for things that go wrong and give credit for positive developments to their employees. And I expect them to have the courage to deliver bad news. If you've got to close a plant, go to the plant and tell those employees yourself.

While there are no hard-and-fast rules about when your involvement will have the most impact on the business (that's a judgment call), I've found that good managers generally step in under three types of circumstances: when somebody is falling behind in her commitments; when important personnel matters arise, particularly if there is conflict; and in a crisis. Just because you're an executive vice president doesn't mean you don't have to work anymore.

Generate ideas. A common frustration in corporate America is a lack of ideas. A person who is innovative and creative is a pearl to be treasured. Unfortunately, idea people are not

to discuss a management problem we'd noticed in a customer organization. I listed three or four reasons why it was important for me to speak with the customer's CEO about it. People resisted, but they weren't offering any alternatives. We waited for quite a while, and finally somebody spoke up. After some dialogue we decided that a person lower in our organization would speak to a person lower in the customer organization, rather than risk the flap that would come out of elevating the issue to the highest level.

Be willing to collaborate. It's surprising how many people still resist collaboration or sharing credit, even though we know how much more we can achieve when we bring everyone to the table at once. There can be very practical reasons for this – for example, it may not be in someone's financial interest to cooperate. But I expect people to trust that I will notice when they take an action that, say, costs their unit \$2 million in the short run but will benefit the company overall in the long run.

This is something I take very seriously. Some years ago I was running a big business that was functionally structured. The person who ran manufacturing and the one who ran

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marketing and sales did not get along well; they just wouldn't communicate. And because they didn't work together well, neither did their organizations. As a consequence, our inventories were always out of balance. The three of us met, and I told them that it didn't matter whether they liked each other or not, but the way they worked together had to change. They left the meeting with instructions to overcome their differences, but three months later, nothing had changed. I called them back into my office and gave them both separation packages on the spot, telling them that although I thought they were good performers individually, their failure to collaborate was hurting the enterprise. An imposing guard was waiting at the door to take their badges and escort them from the plant.

At about 3:00 that afternoon the telephone rang. It was the two of them, asking to gain entrance to the plant. The first thing they said upon arrival was "We get it." They came back to work, and I don't know that they ever learned to like each other, but they learned to work well together – and more important, so did their organizations. Our overall performance improved considerably.

Be willing to lead initiatives. There's no way of knowing how a challenging new project will turn out, so people are often reluctant to be associated with an untested idea, particularly if it crosses functional or unit boundaries. They duck under the radar screen rather than risk going up in flames. But I want people to raise their hands. When we started with Six Sigma at AlliedSignal, some people didn't like it or weren't sure about it, but I'll never forget the people who took a chance, who assumed leadership roles even though they didn't know much about the program. That's an attribute I prize in my employees. The ones who led the Six Sigma efforts were told that their careers would be accelerated if they succeeded, and those who made a contribution beyond unit boundaries did in fact climb the ladder faster than those who didn't.

Develop leaders as you develop. Too many people are selfish about their development. I want my direct reports to take as much interest in their subordinates' development as they do in their own – if not more. Early in my career, when I was at GE, I had a boss, a midlevel manager, who was a good performer but knew that he had gone as far as he was going

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to go. He called me in one day and said he felt I had a chance to be a lot better than he was and that he was going to do everything he could to help me reach my potential. From that moment on, he was more interested in my development than in his own. He went out of his way to criticize or praise me when I needed it. I'll never forget him; he played a very meaningful role in my career.

A strong signal that executives are committed to developing their direct reports is involvement in performance appraisals. I expect my people to be personally involved in reviews – not to hand them off to someone in Human Resources – and to supply their employees with specific and useful feedback. When I was at GE and Allied, I regularly reviewed the goals my direct reports were setting for their subordinates. If they were vague, I asked them to keep working until they'd achieved an appropriate level of specificity. For instance, someone might list “improve interpersonal skills” when what he really meant was “be more willing to collaborate.” The goals have to be specific enough that people know how to approach the issue and whether or not they've made progress. “Improve interpersonal skills” doesn't tell an employee what to do.

Stay current. There's nothing more depressing than sitting in a business meeting with people who don't know what's going on in the world. I expect people to read, to watch the news – not just because it makes them more interesting but because what happens in the world affects what happens to us, to our marketplace, and to our competition. We make decisions in the context of world events, so people need to pay attention to them.

I also expect people to know what's going on with customers – how they're changing, how their competition is changing, how technology and world events are affecting their strategies. Customer relationships are an asset; people should bring them to the table.

Anticipate. One consequence of failing to stay current is that you risk a setback you ought to have anticipated – and you either recover more slowly than you should or never recover at all. Political events often trigger strategic threats. I'm a board member at Merck. With the Democrats in control of Congress, Merck is thinking about how to address that party's longtime platform on pharmaceutical pricing. It would be foolish to wait for new regulations; far better to get ready now.

A talented executive who once worked for me was perpetually caught off guard by adverse events—a new competitor,

a negative regulatory development, an unforeseen customer problem. He worked very hard and he was smart, but he was frenetic and reactive, and never looked up to see the iceberg ahead of him. He even brought in a consultant to help him think through where the business would be in a couple of years, which culminated in a nice book that went up on the shelf while he went right back to his in-box. Eventually I began to spend the first 20 minutes of every meeting with him asking what he thought was about to happen. We went over competitors, customers, the regulatory environment – anything that might have an impact on the business. He improved, and he went on to become a CEO at another company, but anticipating change remained a struggle for him. The fact is, if it isn't in your DNA to anticipate, you don't. You can move the bar a little and find ways to compensate, but you can't change your nature. The people who are constantly looking around corners are best suited to leadership positions.

Drive your own growth. I expect people to seek perpetual education and development – not necessarily by going back to school but by exposing themselves to new people and ideas. Ask your boss for feedback, and if he or she isn't willing to give it, then turn to peers and subordinates, or find a mentor. Accept demanding assignments; you learn much more from them than you do from cushy projects. This takes some courage, because the outcome may not be as good, but it demonstrates that you're interested in your own development. It also prepares you for difficult challenges in the future. I'll promote somebody who has stretched his limits in tough assignments with sometimes disappointing results over somebody who met his targets by taking less taxing roles.

Be a player for all seasons. It's one thing to sustain the behaviors I've described in good times. It's easy to collaborate, to stick up your hand, to offer ideas, when sales and earnings are growing by 20% a year. But how do you behave when they're in decline? I expect positive behaviors no matter what, and people who can live up to that stand out in my eyes. I can think of several people who were leading businesses, beating their forecasts, able to attract quality people – as long as the market was good. In a downturn they'd lose their ability to motivate and inspire people, their self-confidence would begin to wane, and I'd have to take them off the job.

On the flip side, some people are well suited to containing costs and keeping a business afloat when opportunities for

A Simple Assessment

I consult to a number of companies, and the first thing I look at is performance appraisals. Often I'll find three pages of the vaguest, most uncommunicative language imaginable. People write and write and write—and say nothing. Appraisals ought to be half a page that says what your boss likes, what you can improve, and what the two of you are going to do about it—simple and to the point, like the form shown here.

PERFORMANCE EVALUATION

Name: Soe Swift

Date: 6/09/07

What I Like

Ambitious

Team player

Volunteers to lead initiatives

Innovative

Meets commitments

Interested in the development of others

Stays current

Quashes bureaucracy

What Can Improve

Inconsistent communicator

Impetuous

Often fails to anticipate

Vague in appraising performance
of others

Comments

Soe, it's great to have you and your talents, but we need to decide how to
progress on your development. Let's meet on Tuesday, after you've had a
chance to consider an action plan.

growth are minimal, but are so perpetually paranoid that they can't take advantage of an upswing. I always look for someone who can thrive in either circumstance, and I'm amazed at the number of people who can't.

What My Direct Reports Can Expect from Me

The CEO compact has two sides, of course, and I know my subordinates will do their jobs most effectively if they can expect a few things of me as well.

Provide clarity of direction. If I'm the leader, it's my job to communicate clearly where the business is going, why, and what the benefits will be if we accomplish what we set out to achieve. Every quarter the boss should get up in front of her team and explain the financial results and the progress of any operational or strategic initiative. This provides a crucial context for the work. If I simply tell someone, for instance, that he needs to improve cash flow, that's not terribly motivating.

If Joe gives a presentation, I owe him feedback right on the spot. I might say, "You came prepared, you seem to know your stuff, but I heard five 'um's in the first two minutes, and that distracts your audience." If he did particularly well, it's helpful to point out why, so he can repeat the behavior: "Great job, Joe, because you did your homework and made your point clearly in less than five minutes."

When the annual review comes, it should be simple. Forget HR jargon that attempts to disguise reality. An effective performance review tells the employee what he does well, what he could do better, and how he and his boss can work together to fill any gaps – no complicated forms or ambiguous language. (See the exhibit "A Simple Assessment.")

Be decisive and timely. Decisiveness isn't useful if it isn't timely. People should expect me to make decisions as soon as I have the information I need, and not to be careless or impetuous but to give clear, unambiguous answers. When a big contract is on the line, the time for the boss to pitch in is not

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If I show him the actual numbers, he has some perspective on why and to what degree cash flow is an issue, and a better sense of how his job contributes to the enterprise as a whole.

Set goals and objectives. An executive may assume he's doing a good job, but he can't know for sure that his boss would agree if he has no specific goals and objectives to strive for. In addition to team goals, each person should know exactly what individual goals he or she is going to be measured on over a given period and where to invest precious time.

When goals and objectives are clear, promotion and bonus decisions can be based on merit. Morale suffers if people think there's some mystery to the process, some behind-the-scenes explanation. They're much happier and more comfortable when they know they're working in a meritocracy. As a CEO, I never felt uncomfortable when somebody came to ask me why I had put one person into a role rather than another. If I couldn't explain my decision, then shame on me.

Give frequent, specific, and immediate feedback. When I give feedback, I'm signaling to people that I'm interested in their growth and that I see a path for their future. Employees shouldn't have to wait for an annual review to learn how they are doing, and if the feedback is going to help drive their growth, then it needs to be as specific as possible. I hate it when a boss says simply, "Great job, Joe." Joe may have done a great job, but possibly he could have done even better, and if I point out how, maybe he will do better next time.

the last minute, it's a month earlier. At Allied, a salesperson who was working on a deal with Boeing, say, might ask me to place a phone call – not because I could sell the job any better but because I represented the organization. I shouldn't be making the call at the eleventh hour; I should make it well before the deal is set to close, when I can have more impact.

The problem is, people are often reluctant to get the boss involved for fear that asking for help will be perceived as a sign of weakness. They end up asking just when they think they're going to lose the deal. I consider asking for help a sign not of weakness but of self-confidence.

Be accessible. If I expect people to keep me informed about what's going on, then I need to be available when they need to see me. It's certainly in my interest. Frequently a boss doesn't learn that someone is leaving the company until he's about to walk out the door. If she'd known the employee was contemplating a move a month earlier, she could have taken him to lunch, talked to him about opportunities within the company, and maybe changed his mind.

And people should know that I'm not going to come down on them if they bring me bad news. In fact, I'm quite aware that if they're coming to me, more often than not the news is bad. Most people can handle good news on their own; they turn to the boss when they need some help.

Demonstrate honesty and candor. People spend far too much time figuring out how to tell others something un-

pleasant – how to deliver the news in a diplomatic way. This is common in performance appraisals. When I visit companies that I consult to, the first thing I ask leaders for is copies of their appraisals of subordinates, and I am continually amazed at the avoidance in their language. Look at the difference between vague and specific characterizations:

Vague	Specific
Hard worker	Results oriented
Attentive	Anticipatory
Detail oriented	Analytic problem solver
Good listener	Great communicator
Watches over his people	Holds people accountable
Amiable	Team player


The language on the left means nothing. Masking the truth doesn't help people develop. If I can say something sensitively and diplomatically, so much the better. But if I can't, I owe it to my employee to say it anyway.

Offer an equitable compensation plan. People want to be compensated fairly, in a way that reflects their contributions, and they want to understand how the compensation plan works. Employees should be able to estimate the size of their bonuses at the end of the year, because if the boss has also set clear goals and objectives, they know whether they have lived up to them, and they have a good idea of how the

company did overall. The process shouldn't be shrouded in mystery or overly complicated.

...

Much of what I've described here has to do with keeping bureaucracy at bay. Bureaucracy is self-perpetuating, and cutting through it is a constant battle; because it's a fact of organizations, you can never truly get rid of it. You can tell it's creeping in when decision making slows to a crawl, or when the battery of forms needed for performance reviews begins to obscure meaningful feedback. Maintaining these behaviors helps to show when red tape is encroaching on productivity – and helps to minimize the effect.

Of course, it's much easier to live up to the first of the lists I've outlined if you have a boss who lives up to the second. But you won't always be blessed with such a boss. If you aren't, the best thing to do is create a CEO compact with your own subordinates, and demonstrate by example. These behaviors will make you a better employee and may help you get promoted. They will certainly serve you well should you leave for another job. The purpose, after all, is to improve team and company performance, which should accelerate your own growth. 

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"Previously, I was on top of the television. Before that, I was on a stack of towels in the linen closet."

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