

The Courage to Lead

Part 2 of a 2 part series on Leadership

By: Richard Spoon, CEO & Stephen Peele, Managing Partner

In part one of this series we touched on leaders believing and trusting in their organizations using vision and enduring values. These set up the guardrails by which managers lead. But how do you, as a leader, work within these guardrails? We would suggest, especially in times like these, that you manage it through the concept of "stewardship" – meaning that leaders are stewards of the business and of the people in their organization. As stewards, leaders are responsible for setting the tone for the overall environment within which people work. The following is designed to expand on the stewardship discussion.

What Do We Mean by Stewardship?

When we think about the organizations we've lead, the ones that were most successful, in good times and bad, were those where people accepted accountability without the requirement for controls or tools for compliance. Peter Block, in his book *Stewardship* offers this definition of stewardship, "The willingness to be accountable for the well being of the larger organization by operating in service rather than in control of those around us." Said differently, when we lead from a focus of "service" versus "self-interest", our organizations perform better.

Leaders as "Stewards" of the Business

How can you lead as a steward of the business? We have discovered five key ways:

- By driving accountability, through clear rules of governance, to the lowest levels in the organization so that people can make their own decisions
- By maintaining scorecards which measure those critical accountability items
- By establishing a clear set of priorities in the organization so people always know what is most important
- By making sure our compensation systems are based upon performance and we reward business success at all levels in the organization
- By clearly defining "success" in the context of the risks associated with the business

Leaders as "Stewards" of the Organization

"Stewardship" is not a new concept. Ask a leader from an organization 75 years ago if they cared about the employees and their answer would be "yes." This is an enduring value that has been lost in recent decades. We are not here to take complete care of people, but we do need to create an environment where people can take care of themselves and the business.

Stewardship is built on the belief that we are holding something in trust for another person. Said differently we are stewards of the people's lives that work in our organizations, businesses, and corporations. Once embraced, the values become an accountability platform for the behavior of all the leaders. Leaders then teach by example, daily. It takes courage to walk out values in front of people, but it builds your credibility as a leader. Stewards must therefore be able to clearly communicate the organization's values and actions as they walk them out daily.

Becoming "Stewards" of the Organization

Three steps are critical to transforming your leadership. They form the foundation for leadership as "stewards" of the organization.

1) Take Responsibility:

Leaders must take responsibility for identifying our stakeholders, their needs, and the cultural elements that are required so our employees can deliver these expectations. As stewards, we set the tone for our various teams and people to work together. It must be clear to them what cultural norms will enable success.

2) Establish Discipline:

In a similar way, we need to define the set of regular disciplines around leadership values that demonstrate to the organization our commitment to those values. Leaders must together define the rhythms and routines that solidify their commitment.

3) Build Accountability:

Lastly, the team of leaders must hold each other accountable to the appropriate behaviors. Values do not simply become visible but their value is demonstrated in the conduct of daily business. This reinforces the culture and builds “esprit de corps” for the entire organization.

Based upon our work with a number of leadership teams, there is a simple process to gauge where your organization is:

1. Take an objective, quantitative look at your leadership culture.
2. Define the values that your leaders are willing to live for.
3. Link those values to visible behaviors you are willing to communicate and demonstrate.
4. Hold each other accountable to them daily as a leadership team.

The “value of values” is not to be underestimated. We shy away from them because they can be nebulous, and we sometimes feel as if they do not consistently apply in the executive ranks. Courageous executives lead and motivate by way of their values, and in the process, they build a company whose culture can outlast the bad times.

The Courage to Lead

The experience and examples revealed by our consulting work continue to show that leaders who balance their focus on both the business and the organization will leave a positive impact. Moreover, the leaders who embrace the ideas of stewardship, meaning they believe they have a sacred trust to protect, – both the people and the financial performance of the business – leave a lasting legacy. We see many organizations talking about these ideas around the boardroom table, but few taking decisive action. Now is the time we need to have the courage to lead.