A ‘Leadership’ Conversation With Steve Arneson

Steve Arneson founded Arneson Leadership Consulting in 2007 to provide executive talent management, coaching, and leadership development solutions to corporations and not-for-profit organizations. He was named one of America’s Top 100 thought leaders on leadership for 2008, 2009, and 2010 and one of the country’s Top 25 leadership coaches for 2008 & 2009 by Leadership Excellence magazine. Arneson is the author of Bootstrap Leadership: 50 Ways to Break Out, Take Charge, and Move Up, a book about leadership self-development.

Q. You write in your book, “True leaders make everyone around them better and it starts with role-modeling a passion for continuous learning and development.” How do leaders show that passion and create a culture for continuous learning and development?

First of all, you have to share your own development needs and development plan with your direct reports, your peers, and your boss. You have to be transparent about what you are working on yourself. Everybody needs to be working on something. It’s natural. If people don’t believe that they have something to work on, then they are crazy. It starts with sharing and being open.

Next, I think you have to be proactive and relentlessly talking with your people about their development needs. You have to be asking them questions. You have to demonstrate that it is important to you. You have to do all the normal performance management stuff, but you also have to do the off cycle stuff too. You have to ask them, “What are you learning? What are you noticing? What can I do to help you?” You have to be a really good manager and help them craft their development plans.

Third, you have to be talking about development all the time. Any chance you get—at meetings or at large public addresses—you need to be weaving in this notion that it is important to be growing, developing, and learning. Richard Fairbank, my CEO at Capitol One, makes a great example of this. He always talked about lifelong learning in just about every speech he ever gave. It was hard to miss that he considered it important for you to be working on something. You have to be constantly talking about development.

The fourth thing is you have to coach or mentor. You have to practice what you preach. For example, you have made it a point to help them develop goals; you have to be talking about those goals and offer counsel and advice on those goals.

Q. What are the most critical competencies that leaders must possess and why?

The first thing that leaders have to do is create the vision, purpose, and meaning. It is a leader’s job to say, “Here’s where we are going and why.” I call it a mission, purpose, and meaning. The second thing that leaders have to do is build the team (your direct reports)—that means hiring, shaping, and crafting the team of people who are going to make that mission come alive.

The third thing that leaders must do is create the strategy—the how. They have to bring that mission alive. Leaders do that with their team—they roll their sleeves up and lead the team through the implementation. I never liked leaders who gave me the strategy—I wanted to be part of crafting it.

Fourth, leaders must delegate and empower. Once the strategy is set, leaders must make sure that everyone has meaningful and challenging work and get out of their way.

The fifth step is to evaluate, give feedback, and coach. It is a leader’s job to guide, help, give feedback, and put it in a positive frame of reference. The final competency is to reward and recognize. This is a cycle that starts with establishing the vision, purpose, and meaning and then moving through the six steps until you start again.

Q. Most people underestimate their weaknesses and overestimate their strengths. How do leaders take an honest assessment of their strengths and weaknesses?

The process that we have used for the last 25 years in our field is 360 degree feedback. I don’t think anything is better. You can do a formal 360, an online tool, or use an executive coach, but you can also do it informally. Leaders can ask people, “How am I doing?”

Self evaluating your own strengths and weakness is a bit of a fallacy or flawed game. If leaders are not asking others how they are showing up as a leader, how they are coming across to the company, what their leadership brand is, or how did the presentation go, I think they are missing the boat. The easiest way to get a clear picture of your strengths or opportunities (I don’t usually call them weaknesses) is to ask people. You have to ask the people who see you and live with you every day. You have to be sincere with that request because people won’t tell you the truth if you are not sincere.
CEOs who have the best brands within their associations are the ones who role model this process. They are asking the question, “How am I doing?” If leaders are not asking that question, they won’t get a true picture of what they need to work on. It is a simple question, but it is a great reminder for all of us that we have to get out there and seek input.

Q. There is a lot of mistrust with today’s leaders. How do they begin to regain the trust of their employees and customers?

That is a great question, especially when you add customers into the mix. Some clear steps are involved here. First, leaders have to outline a vision and a strategy—here’s where we are going and here is how we are going to get there. That has to be clear, and they have to be doing it constantly. Then, leaders must set clear goals that people can understand.

The second step is to set clear goals and tell people how the goals will be accomplished. That is what BP probably didn’t do very well. Every day we read in the paper about a new trial they were going to attempt—it would have been nice if the leaders of BP would have said, “We are going to try these things in sequence.”

The third step is leaders must be transparent. They must be able to talk about failures and successes. When Tylenol thought there was tampering, they pulled the product off the shelves. You have to be honest with your customers.

The fourth step is leaders must follow through. People will give leaders the first three, but if they don’t follow through, the vultures will start to circle.

And finally, leaders must be clear about tough messaging. Leaders must admit, “That didn’t work. Now we are on to Plan B.” People lose trust if they can’t connect what leaders are doing to what they said they would do.

Q. How does the leader of BP save face?

I believe that there is a dearth of straight talk in politics and corporations that I frankly don’t understand. I really wish that President Obama or the CEO of BP would just tell it like it is. I would love to see BP CEO Tony Hayward step up to the microphone and say, “You know what, this is much bigger than we thought it was. We are not prepared. We’ve screwed up, but we are going to do the following things to correct this. This isn’t going to be solved in a day.” You never really hear that kind of straight talk.

I would love to hear President Obama say something like this about the war in Afghanistan: “Look folks, missing from this political speak that we get from our leaders. It fascinates me. Why. I feel like it would go over better with Middle America. There is a simplification of a message that is here’s the deal…”—literally saying those words. You never really hear that kind of talk.

Q. Does the message have to be different for the customer than for the employee?

I don’t think it should be different. I think leaders want their employees to hear how they are talking to customers. I think leaders get into trouble when they start crafting separate messages on a topic for different constituencies. Leaders should speak to one and all. I would hate to see leaders tell one thing to employees and another thing to customers.

There is an old adage that I live by, “If you just tell the truth, things will go a lot easier.” We tell our kids this all the time, “The truth is the easiest thing to remember.” It is the easiest thing to communicate.” Although, a lot of companies missed that lesson.

I do think some of the recalls are examples of where you’ve seen it handled the best. Toyota did a bad job of it, but Johnson and Johnson, with the Tylenol scare in the late 1970s, did a good job. They were very clear about their messaging. This example gets written up in business books under the heading, “Straight talk won the day.” I just don’t understand why we haven’t seen it from Enron or others.

Q. Is there something in our leadership development that has gone awry?

That is an excellent question. Integrity and honesty are hard things to teach in leadership development classes. Some people think “you have it or you don’t.” I would tend to agree with that. It is hard to open up someone’s head and dump in five pints of integrity. It shows that in stressful situations, someone’s true character comes out. Often leaders want to be more transparent, but they get talked out of it. The litigation society contributes to some of the cloudy messaging that we hear.

Q. Edward Betof invites leaders into the classroom as teachers to lend credibility to the strategies and goals of the companies, show passion for learning, and promote the learning culture. What are your thoughts on this concept and how should leaders approach the leaders-as-teachers concept?

I am a huge proponent of leaders as teachers. In all of the leadership development programs that I have helped design, the leaders-as-teachers concept is a core element of what we do. It is leadership development for the leader to have to prepare his thoughts and point of view for the class. You are actually getting dual development happening at the same time.

I think it should begin with the leader’s journey. It is nice if the participants can learn a little bit more about the senior leader when they enter the classroom, so I always have him do a slide on his journey—here is where I started, here is where I came from, here is the lesson I learned there. I do think it is an opportunity for leaders to personalize themselves.

I always encourage leaders to tell stories—corporate success stories or failures—because that is the way messages sink in. It humanizes the leader. I also tell them to take lots of questions, and visit with their high potentials. People want to spend time with leaders. It is one of the best ways to align the participants with what the organization is trying to do.
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