

THE LEADERSHIP REVOLUTION

Leading CEOs have taken a stand for a regime change to create organizations fit for the future and fit for human beings.



The tyrant who must go?

Our 100 year old management model still in place in every Fortune 500 company today designed to turn people into robots. Is it possible to have management without managers?

The 21st century leadership model will be based on coaching people to reach impossible dreams, build organizations that change as fast as change and workplaces where people give the gift of their passions, talents, and best ideas.

This article will help you to lead a coaching revolution in your company.

From Management to Coaching

Robert Hargrove

A revolution is an act of courage whereby one class shatters the authority of another. - James MacGregor Burns



Grumpy Old Men

The CEO of a Fortune 500 company was less than a year into the job. He had turned the company around 180 degrees, brought in a team of ‘A’ players, developed a game-changing strategy, cleaned up operations, and doubled the stock price. He and his team had spent the last week preparing for a board meeting, working 24/7 on the presentation.

At the meeting, the board did not offer one word of acknowledgement for what had been achieved. The board members spent most of the meeting with grim faces trying to direct and control the CEO, shooting down the team’s proposals (based on scant information), and asking questions that made people feel stupid. The board members seemed to focus on what was wrong.

By the end of the meeting, the CEO and his team, who had been riding high, felt totally deflated by the interaction with the board. Every bit of passion, élan, entrepreneurship, initiative, artistry, valor, nerve, grit, originality, derring-do and hustle had left their once fully engaged minds and tired bodies. The CEO told me that the way these guys managed his team was “God awful” and declared, “I want to lead a revolution!”

Curiously, the members of the board were “good citizens” with sincere and honest intentions. They were simply doing what in their minds good managers do. Yet, they were part of a vast, unconscious, unwitting conspiracy to destroy every bit of aspiration and motivation that the people on this high-performing team had. The board members were unaware, and they were *unaware that they were unaware*.

There are thousands of stories like this at every level of the corporation, from the boardroom to the mail room, from the R & D lab in the woods to the coal face.

Management consistently treats employees who have passion, irregular thoughts, and innovative ideas like barbarians at the gate

Gallup says 40% of the USA workforce has taken an early “mental” retirement



WORKPLACE DISENGAGED

Most managers are as unaware of their “management DNA” as they are of their biological DNA. Yet truth be told, the basic management model that is in place in most Fortune 500 companies is a 100 years old. It came about during the industrial era and had been basically designed to turn people into passive, submissive robots.

Though the management model has had some success, leading to big corporations and a 40% - 60% increase in productivity, it has many toxic effects.

One toxic effect is setting goals not based on the size of your aspirations, but on the size of resources and making next quarter’s predicted earnings. Another is strategy decay from being wedded to industry orthodoxy, a huge blindspot for innovation, and interacting with employees in a way that is soul-stultifying, disempowering, and diminishing.

It includes directing and controlling people through narrow gauge goals and objectives, trying to “get more out of people” with carrots and sticks, and interacting with people in a way that is designed to suppress innovative ideas and emphasize what’s wrong.

It’s no wonder that Marcus Buckingham and the Gallup organization have noted that 40 percent of the workforce in first world countries is disengaged. As one manager told me, “Every time I raise a creative idea in a team meeting with my boss, he gives me ‘the look.’ As a result, I have taken early mental retirement.”

What’s fascinating is that company after company that sticks to this model eventually starts to walk through the valley of the shadow of death—from General Motors to Merck, Northwest to Nokia, and Borders to Blockbuster.

The passionate leadership, disruptive innovation, high performance teams needed today are the things least manageable



There is no way to build innovative organizations of the 21st century on the scaffolding of 20th century management

The fact is, we can't build 21st century companies on the scaffolding of 20th century management. For example, most CEOs of giant companies focus on setting predictable goals for the stock market that they can reach by adhering to industry orthodoxy. Yet, they often fail to take into account 3 billion capitalists with impossible dreams, game-changing business models, or disruptive innovation, and wind up walking through the valley of the shadow of death.

Management has been based on soul-crushing hierarchy and bureaucracy. However, hierarchy doesn't make any sense in a world where power doesn't come from position, but passion for an innovative idea, and bureaucratic boundaries have been smashed by an information technology revolution.

Thanks to cloud computing, robotics, 3G wireless connectivity, Skype, Facebook, Google, LinkedIn, Twitter, the iPad, and cheap internet-enabled smartphones, the world has become not just connected, but *hyper-connected*.

It's time for CEOs and leaders at all levels to lead a revolution, to throw out the 20th century management model we have been using for the past 100 years and replace it with one suited to doing business in the 21st century.

We need a new way of leading and managing based on setting impossible goals, following the rule book of disruptive innovation, and fostering creative collaboration. We need a workplace where people give the gift of their passions, talents, and ideas.

In my book *Masterful Coaching* (1995), I began to offer a branch and root alternative to the present model based on the idea of the *leader as coach*. Perhaps this notion was ahead of its time, and the world today is catching up with its underlying premise.

The 21st century leadership model that is emerging in almost every high growth gazelle is based on coaching

Fifteen years ago, when I was first asked by Novartis to teach coaching as a way to a more highly engaged workforce, it struck me that leadership and coaching are virtually synonymous. I am not talking about the everyday *transactional* leadership we see in business designed to realize predictable goals (a day's work for a day's pay). I am talking about the *transformational* leadership James MacGregor Burns talks about, the kind that raises aspirations and elevates followers to their better selves.

Both transformational leaders and coaches are engaged in building committed partnerships with people through conversations intended to inspire, empower, and enable people. Both are engaged in mobilizing people to create an impossible future that is unpredictable and unprecedented. Both set goals based on the strength of their commitment, versus the strength of their resources. These commitments become the context within which they engage, innovate, and coordinate action.

Another thing that struck me about the leader as coach is that coaching seems to always be a key factor—in sports, the arts, or business—in taking individuals or organizations to much higher levels of performance. Jack Welch, the legendary Chairman of General Electric, had the intent to build a high performance organization and spent almost 70% of his time as CEO coaching and teaching. According to Welch, creating a coaching culture had an astonishing impact on the company's economic performance.

The reason I am writing this article today is that I believe that the *leader as coach* is the perfect complement to the *age of talent, a creative economy, and the three billion capitalists waiting to eat your lunch*. It's interesting to note that the CEOs of high growth gazelles seem to fall right in step with this idea. Richard Branson of Virgin, Jeff Bezos of Amazon, Scott Cook of Intuit, and Tony Hsieh of Zappos, are all notable examples.



Managers go for predictable results;
coaches go for unprecedented results.

Coaching is a breakthrough, not just a buzzword for the same old thing



Richard Branson asks people about their entrepreneurial dream, and then backs them in a business



Sergey Brin asks people to spend 25% of their time doing something they are passionate about.



Jeff Bezos coaches people to get results by seeing differently and being different.

We often think of coaching in the context of sports or the performing arts. Today, when people talk about the *leader as coach*, more often it's just a new word to describe the same old thing. For example, people think of coaching as creating a people-friendly management, as empowerment programs, or as mentoring and counseling. Coaching is in fact none of these.

Coaching is about engaging employees in impossible goals they feel passionate about and represents a breakthrough in the technology of accomplishment. The job of the coach, whether in sports, the performing arts, or business is to create an impossible future, not manage people on predictable goals and objectives. A successful coaching relationship depends on the person being coached having a commitment to accomplish something bigger than their past dictates is possible and achievable.

Coaching is about standing in an employee's greatness—even when they fall from it—and represents a breakthrough in the technology of human transformation. Coaching is about interacting with individuals in a way that who they are committed to becoming—an extraordinary leader, collaborative, someone with hustle—is who they already are. This is certainly different from using the annual performance review to try to *fix* people.

We can see a coaching model already emerging with some well-known CEOs and their companies. CEOs like Richard Branson, Sergey Brin and Jeff Bezos are spurring entrepreneurial innovation, high performance teams, and bringing out the best in people. Their way of being as leaders has been directly expressed in the creation of their companies. This is 180 degrees opposite from the way of being most managers personify.

Good coaching is not the same as good management; it is a whole new paradigm, a different way of observing, thinking, interacting



Coaches listen to ignite people's passions, impossible dreams, game-changing ideas, then find ways to link these to organization needs

Coaching is a whole new paradigm—not just a new technique to add to your management repertoire. Shifting from cop to coach requires stepping back to reflect on your way of being as a leader—surfacing, questioning, and revising managerial frames.

A good manager isn't expected to engage employees in a committed partnership around an impossible dream they both have enduring stakes in. It is more of a transactional relationship around an everyday job, like accounts payable, that ends when the job is over. Good managers, Jack Welch, Roberto Goizueta, Bill Gates included, all talk about getting more out of *our people*, and may even sacrifice them to reach profit and growth goals.

In 2011, HSBC announced super profits for the year—and 30,000 job cuts.

Coaching is a *committed partnership* based on a mutual commitment to an impossible future and enduring values—for example, creating a truly great company, winning a championship, or realizing your potential. Wizard coaches, like John Wooden of UCLA, often take a lifelong stake in their player's success, even those they cut from the team.

Managers see their role as setting predictable goals for Wall Street, creating a simple and obvious plan, and telling people to execute. There is nothing wrong with this. Yet most managers have a way of being (they're largely unconscious of) that leaves people with very little room for passion, creativity, or initiative in the workplace.

Coaches engage people in creating an impossible future with no simple or obvious plan. They engage with people, discuss what's missing, and encourage innovative action. Coaches recognize that talented people come with eccentricities, and relish the *freedom to be* and the *ability to act*. Where managers tend to direct, control, and tell people what to do, coaches listen to ignite people's passions and link these to organization needs.

We need to reframe our managerial frames—from cop to coach. How about you, are you more of a coach or a manager?

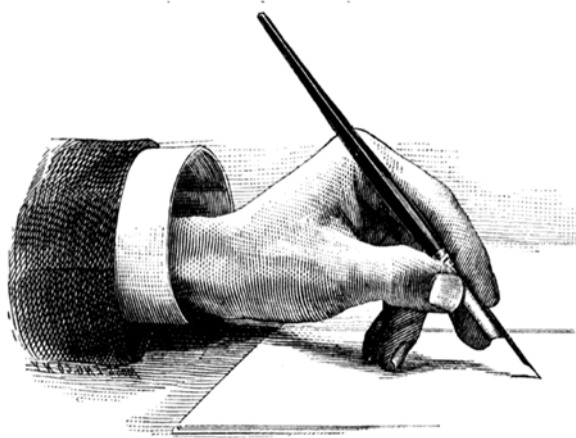
COACHES	MANAGERS
Inspire, empower, and enable people	Direct, control, and diminish people
Draw their power from a partnership with people	Draw their power from authority
Listen to ignite people's passions, then link to organization needs	Set goals, then tell people what to do
Are engaged in creating an impossible future	Are engaged in creating the probable future
Relate to who people are committed to being	Relate to fixing what's wrong with people
Go for unprecedented results	Go for predictable results
Use constraints and limits to spark breakthrough thinking	Use constraints to reduce goals or reinforce mental models
Make unreasonable promises and requests	Are reasonable
Provide honest feedback, discuss the undiscussable	Make hot issues undiscussable
Look for what's missing that if provided can make a difference	Look for what is wrong and why problems happen

The shift from cop to coach starts with a leadership declaration. I am committed to the possibility of..., I am committed to giving up...

Let me emphasize that each of us has a way of being as a leader, as well as a set of managerial frames that determine our goals, strategies, and options in any given situation. Because you have the power to step back and reflect on your way of being as a leader and your managerial frames, you have the power to break the grip and excel beyond them.

You can declare a new way of being as a leader; you can consciously and intentionally start operating from a new set of managerial frames. You can declare yourself a coach and start thinking and interacting as if that were already so. You can go to school on becoming a coach. You can also commit yourself to getting coaching and feedback on how you are doing.

Starting right now, stop thinking and interacting as a manager; start thinking and interacting as a coach. The following leadership declaration will help.



Use the power of declaration to create new ways of being as a leader

LEADERSHIP DECLARATION

- ▶ I am committed to the possibility of: _____
(being a leader, being a coach)
- ▶ I am committed to giving up: _____
(old ways of being, thinking, behavior)
- ▶ The opportunities I have to be in action around this are: _____

Creating a coaching culture starts with inverting the pyramid. The goal? Create a workplace where people give the gift of their talent, passion, and best ideas.



HTC is a Taiwanese company that declared an impossible future of being the most powerful and influential maker of smart phones in the world. The founders, Cher Wang, HT Cho, and Peter Chou, recognized that to reach this goal, they needed talented people, a coaching culture, and a high performance organization.

Their starting point was to *invert the pyramid* we see in most organizations. In the hierarchical bureaucratic culture of most companies, your power comes from your position. At HTC, it is the *best ideas*, not the *biggest title* that takes charge.

They have worked hard to encourage a coaching culture, not just by setting high goals for innovation and manufacturing, but in the way managers interact with employees. Instead of the usual Chinese tradition in which honor (saving face) comes first, according to Chairman Wang, it is “humility before honor” that allows people at HTC to learn from mistakes and create a culture of innovation.

In most companies, the manager has employees who work for them. At HTC, managers are expected to work for employees. For example, at HTC, instead of managers evaluating employees, employees evaluate managers. If an employee feels somehow disempowered by their boss, they are encouraged to post it on a public message board. The complaint can't be removed until the manager addresses it to the employee's satisfaction.

HTC is the fastest growing smart phone maker in the world (faster than Apple) and has recently won a coveted prize for world class manufacturing.

At Masterful Coaching, we help companies develop leaders who are coaches and foster a coaching culture

When we at Masterful Coaching work with an organization, we ask the leaders of the corporation who are responsible for results to engage in leadership development, not just to automatically delegate this important function to Human Resource managers, PHDs, and consultants.

Then we teach leaders and managers how to develop leaders, starting with the premise that *leaders develop in the process of producing extraordinary results*. We provide leaders ways to get started with effective coaching, taking into account that structure influences behavior.

What emerges are not only leaders who are good at coaching, but a coaching culture.



Tony Hsieh of Zappos, "My role is about unleashing what people already have inside them that is suppressed in most work environments."

Seven Ways for a Leader to Get Started with Coaching

1. Starting right now, shift hats from cop to coach
2. Provide a leadership agility assessment to each team member
3. Create an Impossible Future or "big game" for your group
4. Ask each person to create an Impossible Goal they are passionate about each quarter
5. Coach each person around a significant leadership, business, and career challenge
6. Observe people's conversations and behavior to see inconsistencies with the above
7. Get coaching on the calendar: meet with the team weekly and with individuals monthly

It is astonishing how much time, effort, and money is spent on leadership and coaching programs that have no connection to performance

The typical leadership coaching program is like a recipe from an HRD cookbook put together by PHDs in organizational psychology, whose only real world result was probably their thesis. It generally has everything in it but the kitchen sink.



The high potential leader's development program recipe (often a recipe for disaster)

- ◆ 3 cups of homogenized leadership competencies
- ◆ 2 cups of Center for Creative Leadership 360 feedback
(tick the box 1 to 5)
- ◆ A dollop of Emotional Intelligence
- ◆ 2 tablespoons of appreciative inquiry
- ◆ A dash of action learning on a generic business issue
- ◆ Take all these ingredients and simmer then in a big pot for three days (i.e., marching your high potentials off to a leadership training)
- ◆ Finally, add 3 hours of coaching over 6 months

Well documented research by Noel Tichy at the University of Michigan shows that none of this kind of leadership training has any correlation to leadership development and certainly no correlation to results.

Coaching certification needs to be based not just on time in the classroom, but on leader's ability to take people higher, teams higher, and companies higher



Business takes place in the domain of accomplishment. Coaching must take people to higher levels of accomplishment, create an awe inspiring place to work, and impact economic performance.

Coaching Competencies

Today thousands of people have declared themselves to be coaches and thousands of courses are offered to certify them. The ICF has tried to apply some basic sanity to the process, and has 15,000 members, but a question I ask is, “who certified the certifier?”

In most cases, certification is based on the number of hours spent in a classroom. Coaching certification needs to be a combination of the classroom and demonstrating one's ability to have an impact on leadership development and to create high performance organizations and bottom-line results. The coaching competencies needed:

- The ability to raise aspirations and motivations, together with the ability to elevate people to their better selves
- Listening for people's commitment to an Impossible Future or game-changing project, and aligning these with organization needs
- The ability to observe people's way of thinking and way of being through their conversations and behavior, and assess inconsistencies with intended results
- The ability to help people make a shift—to see different and to be different—so as to correct mistakes and produce new results
- The ability to interact with people in a way that results in leadership transformation in the process of producing extraordinary results
- The ability to build high performance teams and a high performance team culture
- The competence to help people realize high goals, bring about intended change, and succeed in pivotal conversations

Leading the revolution starts with holding up a mirror to yourself and your organization

Are you developing coaches and a high performance culture? A good assessment is a good place to get started. Here are some sample questions of our “Leader as Coach Assessment” that allows for personalized responses to questions and provides specific behavioral suggestions. Where do you land?



Step back and reflect on whether people relate to you as a coach or as a manager.

1. In your opinion, does your company have exceptional leadership and exceptional people?
2. Would you describe your organization as fit for the future & fit for human beings?
3. Do you cultivate a workplace where people give you the gift of their passions, talents, ideas?
4. Do you set goals by aiming high, even if there is no simple or obvious plan?
5. Do people relate to you as a “boss” who directs and controls or as a “coach” who inspires and empowers?
6. Do you listen to ignite people’s personal ambitions, then link these to organization ambitions?
7. Do you pay attention to inconsistencies between people’s goals and their way of thinking and way of being?
8. Are you able to effectively intervene to help people “think differently” and “be different”?
9. Would you describe your work group as a great team or team in name only?
10. Are you able to coach people to be effective in conversations with stakeholders whose views goals and needs are different than their own?



About the Author

Robert Hargrove is a world-renowned, revolutionary thought leader in the field of talent development and coaching. His motto is *Better Leaders, Better World* and he believes that coaching leaders to achieve an Impossible Future is the fastest, most powerful way to achieve both.

Hargrove is the founder of Masterful Coaching and served as a Director of the Harvard Leadership Research Project. He has been awarded for Distinguished Public Service by the USA government for coaching work with political leaders.

Some clients have been Adidas, Philips Electronics, Estee Lauder, Conoco Philips, BAE Systems, Zurich Financial, and Fidelity Investments.

Hargrove's coaching approach is one of the only methods which delivers real ROI. According to one client, "We pretty much stuck with the Masterful Coaching approach and it made the company hundreds of millions of dollars."

Masterful Coaching Offerings

Robert's company, Masterful Coaching offers a powerful course, called **Masterful Coaching: The Fifth Protocol** designed for leaders, managers, and professionals of every kind to become masterful coaches.

People often start with the **Leader as Coach Assessment** to gain an understanding of how they need to develop as a leader and how they need to transform their organization culture from a "management model" to a "leader as coach model."

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