

HOW'S BUSINESS/by Marshall Loeb

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WHERE LEADERS COME FROM

If our age seems lacking in leadership, take heart. Warren Bennis says leaders aren't born, they're made—mostly self-made.

Half a dozen CEOs of major global corporations — men from the worlds of autos, banking, oil, railroads, electronics—met privately in Chicago not long ago to assess the future of world business. What worried them most was not production or profits or competition but this: Where have all the leaders gone? The chairman of this powerhouse group, Henry Kissinger, leaned into his cold beef fillet and lamented that in previous times of crisis, great leaders always appeared on the scene just in time to pull the world through. But now, try to name only one larger-than-life leader, one who could fill the role of F.D.R. or Ike or De Gaulle or Churchill. And in business, look at how the icons have fallen at IBM, GM, Kodak, and countless others.

Whenever you go in business as in government these days, you hear people ask, plaintively, Where are the leaders? Perhaps we demand too much. Perhaps memory has inflated the images of yesterday's business heroes —, Sloan the Watsons, David Rockefeller, Sam Walton, Perhaps a brilliant new generation of boomer CEOs — their eyes on the horizon as much as the bottom line — is about to burst upon us. But, don't hold your breath.

Instead, seek answers. And fresh blood. How do we find leaders? How do we create leaders? What makes a good leader today. If all happy families are alike. What

characteristics are common to all leaders?

Ask the man who knows more about the subject than anyone else. Warren Bennis. Psychologist, sociologist, economist, USC professor, former university president, author of two dozen books on the subject. Bennis, 69, has spent years intensely studying 150 leaders — mostly corporate chiefs. When this silver-haired, perpetually tanned man shows up at a business conference, he's the Pied Piper; expectant executives crowd the hall to hear him tell (for up to \$20K) what qualities are needed for a mere manager to grow into a real leader.

The indispensable first quality, Bennis says, is a guiding vision, a clear idea of what he wants to do. "All the leaders I know have a strongly defined sense of purpose. And when you have an organization where the people are aligned behind a clearly defined vision or purpose, you get a powerful organization." Thomas Carlyle had it right: All history is biography—so great companies are indeed the direct reflection of their leaders.

The most exemplary leaders are also pragmatic dreamers. Banker Walter Wriston once told Bennis that he regarded his long-term plan for Citicorp as a dream with a deadline.

The best leaders have a potent point of view. Bennis quotes Mike Eisner, Disney's lion king, as saying: "You know, we don't have a vision statement, but we have a strong point of view. What amazes me is that it's always the person with the strong POV who influences the group, who wins the day. Around here, a powerful POV is worth at least 80 IQ points."

Another quality the leader needs is constancy. "One of the things you hear about the least effective leaders." Says Bennis, "is that they do whatever the last

person they spoke to recommended. Or that they plunge forward with the latest good idea that pops into their head. To trust the leader, followers have to know what to expect. So sometimes the leader has to put off a grand idea or a glorious opportunity until he has had a chance to convince his own allies of it. A main problem for imaginative, impetuous Bill Clinton as leader is that he plunges ahead with the idea of the hour without first checking it out and selling it to his stakeholders. In business as in politics, the effectiveness of a decision is the quality of the decision multiplied by the acceptance of it.

And the leader-or the leader in training-needs candor. That's tough because Bennis's studies show that seven of ten people in organizations don't speak up if they think their point of view will vary with the conventional wisdom or their boss's POV – even if they believe their boss is going to make an error. What the leader needs to cultivate are firm-minded subordinates with the wisdom and courage to say no.

The effective leader, Bennis believes, limits himself to several key objectives. "GE's Jack Welch says, Look, I have only three things to do. I have to choose the right people, allocate the right number of dollars, and transmit ideas from one division to another with the speed of light. So I'm really in the business of being the gatekeeper and the transmitter of ideas. And we'll plagiarize from anybody."

For example, Welch was among the first to send his executives to Bentonville, Arkansas to study Wal-Mart's selling methods. Bennis paraphrases Welch: "No more of this not-invented-here stuff. We'll take ideas from anywhere and deploy them and use them as quickly as we can." Or as Picasso is said to have remarked, "Good artists copy: great artists steal."

Bennis will tell you that seven characters define a leader.

- **Business literacy:** Does he know the business? Does he know the real feel of it.
- **People skills:** does he have the capacity to motivate, to bring out the best in people?
- **Conceptual skills:** does he have the capacity to think systematically, creatively, and inventively?
- **Track record:** has he done it before and done it well?
- **Taste:** Does he have the ability to pick the right people-not clones of himself but people who can make up for his deficiencies?
- **Judgment:** Does he have the ability to make quick decisions with imperfect data?
- **Character:** The core competency of leadership is character. But character and judgment are the qualities that we know least about when trying to teach them to others.

The leader's character is made up of a tripod of forces: ambition and drive; competence and expertise; integrity and moral fabric. All three are needed, and all three have to be in balance, or the tripod topples. Get a leader with only drive, but not competence and integrity, and you get a demagogue. Get someone with competence but absent integrity and drive, and you get a technocrat. Get seduced by someone who has ambition and competence but lacks integrity, and you get a destructive achiever.

The key to competitive advantage in the Nineties and beyond, says Bennis, "will be

the capacity of top leadership to create the social architecture capable of generating intellectual capital. I mean an organizational environment that will be not only fast, focused, flexible, and friendly and also fun. By intellectual capital, I mean an organizational environment, I mean know-how, expertise, brainpower, innovation, ideas. All the good CEOs tell me that their major challenge is, 'How do I release the brainpower of the people in my company?'

You do that only by leading, not simply managing. "Leaders are people who do the right things. Managers are people who do things right. There's a profound difference. When you think about doing the right things, your mind immediately goes toward thinking about the future, thinking about dreams, missions, visions, strategic intent, and purpose. But when you think about control mechanisms, you think about how-to. Leaders ask the what and why question, not the how question. Leaders think about empowerment, not control. And the best definition of empowerment is that you don't steal responsibility from people."

In their bad old days, IBM, GM, and Sears were overmanaged and underled. Success had made them content. (Much the same fate befell the Mafia, but that's another story.) Says Bennis: "Those whom the gods want to fail, give them 20 or 25 years of success. Just when you start thinking you're really terrific, you start dictating to the market instead of listening to the customers."

He likes to quote from the late Grace Hopper, a management expert who was the first woman admiral in the U.S. Navy. Said she: "You manage things, but you lead people." And we lost our leadership, she added, "largely because of this tremendous push to financial management. The business schools taught it. The whole thing was business management, not leadership."

What employees want most from leaders, says Bennis, "is direction and meaning, trust and hope. Every good leader I have spoken with had a willful determination to achieve a set of goals, a set of convictions about what he or she wanted his or her organization to achieve. Everyone had a purpose." And here Bennis quotes his hockey hero, Wayne Gretzky: "It's not where the puck is that counts. It is where the puck will be."

Are leaders born or made? Bennis gets off the droll crack about the martinet CEO's dull son who comes home with a report card loaded with D's and F's. "Well, Dad," asks the kid, "is it nature or nurture, genes or the environment?"

Leaders are made, concludes Bennis, usually self-made. But it's very helpful to have had a strong determined set of parents. His studies of leaders show they usually had someone in the family who said, "Go for it, you can do it."

It's wise also to have as wide a set of experiences as possible. One of the flaws of American business is that we have too much vertical mobility. Managers inch up the same smokestack, learning more and more about less and less. But really smart companies—like Glaxo and Arco to name a couple—move promising people around horizontally, having them serve time in most of the major divisions to give them a kaleidoscopic view of the organization and the mentoring of a variety of bosses.

"I used to think that running an organization was equivalent to conducting a symphony orchestra. But I don't think that's quite it. Now it's more like jazz. There is more improvisation, the sound of surprise."

How do you go about becoming a good leader? Professor Bennis's short course: "Be yourself. Figure out what you're good at. Hire only good people who care. Treat them just the way you want to be treated. Switch

from macho to maestro. Identify your one or two key objectives or directions. Ask your co-workers how to get there. Listen hard. Get out of their way. Cheer them. Count the gains. Start right now.