

Exceptional Leadership

16 Critical
Competencies
for Healthcare
Executives

Carson F. Dye
Andrew N. Garman

ACHE Management Series



HealthAdministrationPress
American College of Healthcare Executives

EXCEPTIONAL
LEADERSHIP

16 Critical Competencies
for Healthcare Executives

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Chicago, IL

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Contents

<i>Acknowledgments</i>		vii
<i>Foreword</i>	Tom Beeman	xi
<i>Preface</i>		xiii
<i>Introduction</i>		xix

CORNERSTONE 1: WELL-CULTIVATED SELF-AWARENESS

Chapter One	Living by Personal Conviction	3
Chapter Two	Possessing Emotional Intelligence	17

CORNERSTONE 2: COMPELLING VISION

Chapter Three	Being Visionary	31
Chapter Four	Communicating Vision	43
Chapter Five	Earning Loyalty and Trust	53

CORNERSTONE 3: REAL WAY WITH PEOPLE

Chapter Six	Listening Like You Mean It	69
Chapter Seven	Giving Feedback	83
Chapter Eight	Mentoring Others	95
Chapter Nine	Developing Teams	107
Chapter Ten	Energizing Staff	119

CORNERSTONE 4: MASTERFUL EXECUTION

Chapter Eleven	Generating Informal Power	131
Chapter Twelve	Building Consensus	141
Chapter Thirteen	Making Decisions	151
Chapter Fourteen	Driving Results	163
Chapter Fifteen	Stimulating Creativity	173
Chapter Sixteen	Cultivating Adaptability	185
Appendix A	Self-Reflection Questions	197
Appendix B	Sample Self-Development Plan	203
Appendix C	Mentors: How to Identify, Approach, and Use Them for Maximum Impact	207
Appendix D	Executive Coaches and Other Professional Mentors: When and How to Use Them	213
Appendix E	Action Plan: Developing a Feedback-Rich Working Environment	219
Appendix F	Action Plan: Implementing a 360-Degree Feedback Program	223
About the Authors		229

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*To the practitioner faculty of Health Systems
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example for the next generation of healthcare executives.
Some of the finest teachers and mentors in the world walk
quietly among their ranks.*

Andrew N. Garman

Foreword

IT HAS BEEN said that leadership is the art of taking risk; management is the science of mitigating it. In this superb book, *Exceptional Leadership: 16 Critical Competencies for Healthcare Executives*, authors Carson Dye and Andy Garman outline the areas that leaders need to improve on if they aspire to be extraordinary leaders. Truly the art of leadership, like any art, requires the discipline of practice and commitment to continued personal growth. As must a pianist play scales endlessly so that Mozart's music could someday flow from her fingertips, so must a leader follow principles of great stewardship everyday to make her leadership seem effortless.

As Dye and Garman point out through their insightful review of core competencies, it is through the prism of qualities such as living by personal conviction, communicating vision, mentoring others, and stimulating creativity that the true nature and character of a leader can evolve. The important word here is evolve. Although one may possess the innate talents required for visionary leadership, one has to hammer out such talents on the anvil of experience; otherwise these talents are useless, uninspiring, and inert. A leader becomes a leader when people are willing to follow. It is here in this mutuality that leaders find their dignity. Hebrew scripture says, "Without a vision the people perish," and without people to show

the way, leadership is empty. A person's desire to lead without the willingness to work hard only results in meaningless leadership and disillusioned followers.

Dye and Garman have tailored their book to those who recognize that leadership is a talent to be cultivated and that to be a great leader one must sit at the feet of even greater ones to learn. Leadership is not an end point but a process of becoming that is worth working for, no matter how difficult. Especially useful in Dye and Garman's book are the interesting vignettes that set up the context for the ensuing discussion in the chapters. By demonstrating the utility and significance of say, emotional intelligence, the authors engage the readers more meaningfully in the discussion of the concepts. This engagement can lead the reader to enter into self-assessment, making this book not only an enjoyable read but also an immensely satisfying guide to successful leadership development.

Why leadership development, and why a healthcare leadership book? One has only to look around to see the ethical vacuum that has been created by lack of organizational leadership in American businesses. Combine that with a dearth in personal values and accountability, and you will find that America is in crisis. In healthcare, which is ever more a public trust, the need for transformational and ethical leaders is a paramount concern. Much of our healthcare crises have been caused by a focus on the economics and commoditization of healthcare rather than on the ethics and rights of healthcare.

Given this environment, Dye and Garman's work is timely. At a time when leadership is often mistaken for power (which subtly corrupts character), it is great to have a book that focuses on developing character, which is and must be the fundamental element of leadership.

—Thomas E. Beeman, CHE,
president and chief executive officer, Lancaster General,
Lancaster, Pennsylvania

Preface

THERE ARE GOOD leaders, then there are *exceptional leaders*. You are aware of this, although you may not be able to articulate how one is different from the other. You understand, however, that exceptional leaders are generally more successful, their message and performance have more impact, their plans better developed and implemented, and their legacy longer lasting. Furthermore, these leaders achieve more effective results, which helps perpetuate their extraordinary work and qualities.

The answer to, “What makes a leader exceptional?” is simple: competencies. Because the term “competencies” is explored in the Introduction, we present a simplified definition here. *Competencies* are a set of professional and personal skills, knowledge, values, and traits that guide a leader’s performance, behavior, interaction, and decisions. Because leadership is a complex undertaking, it requires many competencies. “Many” is the operative word here, as various organizations have developed their own competency models and many leadership books discuss this concept.

“Many,” however, does not sit well with extremely busy health-care leaders. “Few but effective” do, as the list of 16 competencies in this book intends to prove. These competencies, a byproduct of our close work and association with healthcare leaders and search

consultants, were selected because we have observed them to be factors that distinguish good leaders from exceptional leaders. In addition, each competency also appears in the competency models and on lists developed by healthcare organizations and consultants, including the Healthcare Leadership Alliance (2005) Competency Directory that was recently created by six major healthcare associations.

Any leadership book will tell you *how* to make a leader exceptional. This book offers that and an added advantage: it tells you *what* makes a leader exceptional. We define these competencies and fully discuss what they entail.

We assembled the competency list for three reasons:

1. Many good leaders in healthcare truly want to be great leaders, and they want it for the right reason—to make a genuine difference to the patients and communities they serve.
2. Most healthcare leaders do not have a wealth of mentors, do not continually attend many leadership programs, or are not presented with skill-development opportunities on a proverbial silver platter.
3. In this period often marked by the “war for talent,” leaders need to be better equipped to assess the skills and competencies of other leaders, especially those they are hiring.

If you want to learn the distinguishing marks of more effective leadership, this book was written for you. Your knowledge will allow you to develop yourself and other leaders and make better hiring decisions for your organization.

WHY ANOTHER BOOK ON LEADERSHIP?

Healthcare Leadership Is Different

Many leadership issues are the same regardless of industry, but healthcare presents many unique challenges. The relationships, life-

and-death nature of the work, emotional demands, and financial challenges in this industry are very different from those in other fields. Because of these unique qualities, the healthcare field requires its leaders to have a distinctive approach as well, so the competencies in this book give leaders this edge.

Healthcare Is in Desperate Need of Great Leaders

The greatest challenge of the next decade in healthcare could very well be the development of leaders equipped to deal with the healthcare field, which is facing declining reimbursement, a complex tapestry of professional labor shortages, and the increasing sophistication and costs of medical technology. All of these challenges will continue in this high-stakes environment, where consumerism, malpractice, public reporting, or patient safety and quality concerns can change the course of a hospital's future in a heartbeat.

The Science of Leadership Is Evolving

Although great strides have been made in the past decade in the science of leadership assessment and development, extracting solid information from the leadership rhetoric remains very difficult. Bookstores are filled with books on leadership, but most of these books reflect the perspective of a single successful leader or author.

In this book, we marry the areas of leadership performance that need critical attention with the most current research in these areas. In this way, we provide the most advanced thinking on how to develop in these competencies.

Not All Leadership Competencies Are Equally Important

Leadership competency models are proliferating in health administration. Multiple consulting firms, healthcare organizations, and

professional associations all have created their leadership competency lists. If every competency in every one of these models were added, they would quickly add up into the hundreds.

In our experience, long lists of competencies are fine for a job analysis but not at all helpful in planning for development. They are even less helpful when used as a way to discern the differences among candidates for leadership positions.

This is why we focus on just the 16 competencies that, in our and our colleagues' collective experience, seem to make the biggest difference between good leadership and great leadership. If your goal is to be an exceptional leader, these are the competencies you need to master. If you need help in developing better selection criteria when hiring, these competencies are the primary ones to use in assessment.

Leadership Development Is *Your* Responsibility

Exceptional leaders take responsibility for their own development. They do not wait for their superiors to guide them or for their organizations to sponsor events. If you want to be an exceptionally effective leader, it is up to you to learn your development needs and to find your own ways to improve.

WHAT CAN BE GAINED FROM READING THIS BOOK?

Our goal is to present the competencies that mark an exceptional leader. Throughout the book we offer tools to help good leaders develop their own capacity, that of their direct reports, and even that of their organization.

A Deeper Understanding of Leadership

By reading and reflecting on each of the 16 competencies, you will derive additional insight into leadership and a better understanding of the key qualities that drive highly effective leadership.

Guidance in Coaching and Developing Skills

This book provides practical suggestions for developing leadership skills that can immediately be implemented. You can use this book to plan your own development or to help others in planning their development. Executive coaches may use the material to help guide and shape the behavior of those they are coaching. Executives may find the discussion helpful in counseling and advising direct reports about their leadership behavior.

Guidelines in Assessing Executive Candidates

This book serves as an excellent guide in assessing candidates for executive leadership positions. The 16 competencies can be used as a benchmark to develop interview questions and to evaluate leadership capability.

Counsel on Avoiding Derailment

No one sets out to purposely derail his career. Still, career derailments often happen. Skill deficits in any of these areas can stall or even disrupt a leadership career. Understanding your own development needs can help you prevent derailing your own career.

A Foundation for Broader Leadership Competency Models

Because the competencies in this book focus on exceptional leadership, you may find them to be a useful springboard to develop competency models of your own.

A Practical Foundation for Teaching Leadership

The material in this book lends itself to use in academic instruction. For example, one use may be as a complement to theory-based texts. Competencies can be used as stand-alone topics, and the vignettes at the beginning of each chapter can serve as discussion starters. The self-assessment and development suggestions also lend themselves well to career-development planning assignments. Additionally, this book can serve as the foundation for peer-led leadership-development meetings in practice settings.

REFERENCE

Healthcare Leadership Alliance. 2005. Competency Directory. [Online information; retrieved 11/1/05.] www.healthcareleadership.alliance.org/directory.cfm.

Introduction

WE CAN ALL think of those who seem to have been born to lead. There are almost always at least a couple of such leaders in every hospital. They stand out because they give the impression that they can make things happen and that they are going to succeed at anything. We often determine the success of these leaders long before their performance results come in.

This kind of leadership can be learned by those who are not natural-born leaders. The road to becoming such a leader takes discipline, and it is much harder for some than for others. We firmly believe, however, that the practices, also known as *competencies* (see Exhibit 1), of exceptional leaders can be picked up by anyone.

Those in the position of selecting leaders can also benefit from learning about competencies. It will help them in their assessments of candidates and in their hiring decisions. A hiring mistake at the senior level is disastrous for any organization, and a better understanding of exactly what comprises highly effective leadership will minimize this risk.

Exhibit 1

What is a competency?

Many definitions of competencies exist, but the late David McClelland (1973) is widely regarded as providing the original and most authoritative definition. At the time of his writing, intelligence and skills tests were the main tools used to make selection decisions. McClelland's work was an attempt to move beyond a narrow, skills-focused definition of success to examine broader, underlying characteristics of individuals that could be used to predict success.

In brief, competencies include a broad collection of knowledge, skills, abilities, and characteristics. They include values (such as ethics and integrity), cognitive skills (such as thinking and problem solving), interpersonal skills (such as communicating and listening), embracing diversity (such as tolerance and respect), and change management (such as strategic planning and risk taking).

As deeper-level constructs, competencies are not something learned from a day-long training workshop or a class. They are more accurately described as improving slowly over time as a result of mindful practice, feedback, and more practice.

LEADERSHIP COMPETENCY MODEL

We organized this book around 16 leadership competencies. These are the competencies most associated with exceptional leadership in healthcare. We arrived at this list through the following steps:

1. We examined the competency lists prepared by boards and executives for use in their executive searches.
2. We pared this list down to those competencies that reliably differentiated the highest-performing leaders—people who made the short lists and who usually got hired.
3. We surveyed eight seasoned search consultants (with more than 100 collective years of search experience) who work exclusively in healthcare. We asked each of them the following questions:
 - What are the most important competencies your clients request when looking for new executives?

- Consider the three best executives you have ever placed in your search careers. Exactly what leadership competencies did these leaders have that set them apart from the others? We retained the competencies submitted by multiple search consultants.
4. We posed similar questions regarding leadership competencies to healthcare chief executive officers (CEOs) and executive coaches.
 5. To refine our conceptualizations of these 16 competencies, we compared and contrasted them with reviews of the academic leadership literature and competency lists of well-known consulting firms.

Our end goal was to develop a competency model focused enough to help aspiring exceptional leaders zero-in on their greatest development opportunities and rich enough to be revisited many times in the years to come.

We have organized these competencies into four traits, which we call the cornerstones of exceptional leadership:

- Cornerstone 1: Well-cultivated self-awareness
- Cornerstone 2: Compelling vision
- Cornerstone 3: Real way with people
- Cornerstone 4: Masterful style of execution

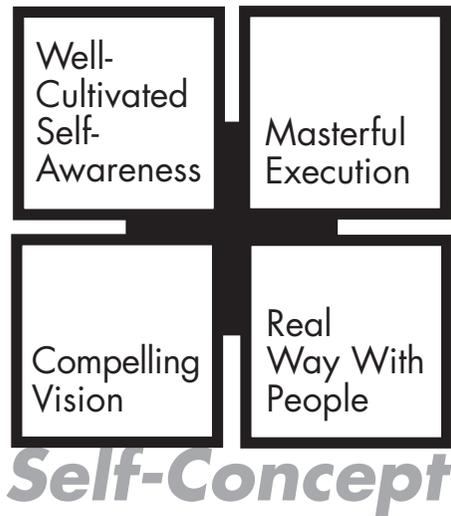
These cornerstones anchor our leadership model on the foundation of having a healthy self-concept, which is discussed later in this introduction. Figure 1 illustrates this foundation model.

AN OVERVIEW OF THE FOUR CORNERSTONES

Cornerstone 1: Well-Cultivated Self-Awareness

Self-awareness means understanding yourself as a leader—in particular, your strengths, limitations, hot buttons, and blind spots.

Figure 1



Developing self-awareness requires leaders to intellectually and emotionally process on two levels. First, leaders must develop the ability to collect accurate, high-quality feedback from the work environment. Second, leaders must contemplate with an open mind what that feedback means to them and to their performance as a leader.

While these processes sound deceptively simple, in reality they are far from simple. We all receive some feedback from the environment, and we all accept it with some open mindedness. The magnitude of both this environment and our capacity for being open minded makes the difference between good leadership and exceptional leadership. Exceptional leaders make sure their environment is rich in feedback (see Appendix E for suggestions on how to develop a feedback-rich environment) and internalize the feedback they receive.

High performance in the area of self-awareness also involves mastery of two competencies: living by personal conviction and possessing emotional intelligence. You can think of personal conviction as the driving force that guides you in serving a larger purpose; emotional intelligence, in contrast, involves the management of that purpose in the relationships you forge.

Cornerstone 2: Compelling Vision

Of the four cornerstones, a compelling *vision* tends to be both the most visible and the most closely associated with senior leadership roles. At the senior level, if leaders hit their ceilings before reaching their career goals, it is usually because they have not mastered one or more of the competencies in this cornerstone.

There are three competencies comprising this cornerstone associated with exceptional leadership: being visionary, communicating vision, and earning loyalty and trust.

Being visionary is the heart of this cornerstone and begins this section of the book. Vision can be defined as the capacity to create effective plans for your organization's future, based on a clear understanding of trends, uncertainties, risks, and rewards. Defined in this way, we can separate creation of vision from the process of building awareness and understanding of the vision (i.e., communicating vision) as well as gaining support from the "unconverted" (i.e., earning loyalty and trust).

Cornerstone 3: Real Way with People

This cornerstone relates to implementation—making things happen through people and through process.

Interpersonal relations are a central part of the leader's role, and most leaders who have been around a while already have a reasonably well-developed set of interpersonal skills. At a minimum, most leaders recognize that you can catch more flies with honey than with vinegar, that people care about more than just their paycheck, and that interpersonal conflicts rarely go away on their own. That said, our experience leads us to conclude that (1) outstanding leaders typically have outstanding interpersonal skills, and (2) most leaders have at least some room for growth in the area of interpersonal relations.

The interpersonal domain can be meaningfully split into five competencies: listening like you mean it, giving feedback, mentoring others, developing champion teams, and energizing staff.

In each case, our focus is on how to refine an already strong skill set to the level of outstanding performance. We begin this section with a chapter on listening, which in many ways is the central unifying characteristic of this cornerstone. In describing what makes an executive effective, Peter Drucker (2004) identified eight practices and just one rule: “Listen first, speak last.”

Cornerstone 4: Masterful Style of Execution

The final cornerstone turns to an examination of *execution*—where the rubber meets the road in getting activities assigned to strategies, decisions made, tasks accomplished, and agendas moved forward.

Leaders are ultimately judged in terms of what they get done. Regardless of the leadership competencies they exhibit, the true measure of their impact is the success they bring to their organizations.

Although success in execution is strongly affected by the quality of a leader’s working relationships, it is also affected by the approaches the leader uses. The six competencies that most distinguish the highest performing leaders in this domain are generating informal power, building consensus, making decisions, driving results, stimulating creativity, and cultivating adaptability. We examine each of these in turn.

HOW IS THIS BOOK STRUCTURED?

Each of the 16 competencies is explored in its own stand-alone chapter. Each chapter is organized around the following sections:

- *Opening vignette.* This section provides an example of the type of situation in which leaders can shine if they demonstrate a mastery of the competency.
- *Definition of the competency.* This section explains what the competency is and why it is so important.
- *When highly effective leaders demonstrate the competency.* Here

we describe, in specific details, what extraordinary leadership looks like when the competency is mastered.

- *When the competency is not all it could be.* Here we describe the common skill deficits that prevent good leaders from being great leaders in this competency.
- *Misuse and overuse: how the competency can work against you.* Sometimes leaders get into trouble because they overdo it. Here we describe what problems can arise for overdoing or misusing a given competency.
- *Finding role models.* One of the very best ways to learn new skills is to find a master to help you. In this section, we tell you where you are most likely to find people who have mastered the competency.
- *Additional opportunities for personal development.* Not all leadership development is equally effective. Here we provide options for developing a competency area, focusing on what has been shown to work best and what our colleagues and clients tell us have been most helpful to them.

Appendixes

In the appendixes, we have assembled a wealth of additional tools to help you along the path of personal development, including the following:

- A self-assessment questionnaire and scoring guide for each of the competencies
- A sample self-development plan
- An action plan for developing a feedback-rich working environment
- An action plan for implementing a 360-degree feedback program

Appendix A provides a set of self-reflection questions, which can help you prioritize your development by assessing your strengths and

development needs. Appendix B provides a framework for structuring, implementing, and monitoring your leadership self-development plan.

Throughout this book, we make the case for finding and using mentors in developing your skills. Appendix C provides specific guidance on how to best approach mentors for their help and, once they have agreed to work with you, how to gain the maximum benefit from their experience and skills. For those of you in a position to avail yourself of professional mentoring, Appendix D provides guidelines for identifying and screening executive coaches as well as ensuring you are in the best position to benefit from what they have to offer.

Because most leadership skill development comes through practice, we also repeatedly make the case for ensuring you receive the most useful feedback available in your environment. Appendix E details how to cultivate a feedback-rich organizational climate using a variety of techniques. Lastly, Appendix F provides a decision-making framework and reviews the 360-degree feedback process for developmental purposes.

SELF-CONCEPT: THE FOUNDATION

As do real cornerstones, the four cornerstones of exceptional leadership must rest on a firm foundation. In the case of leadership, this foundation is a healthy self-concept.

The Critical Importance of Self-Concept

To be an exceptional leader and to perform at a superior level, it is essential that you have a healthy *self-concept*. Having a healthy self-concept means you agree with each of the following:

- You are satisfied with your place in the world and feel that you have a purpose in life.
- You feel a sense of control over your life and destiny.
- You are confident in your ability to achieve what you set out to do.
- You have a positive self-image.
- You feel comfortable with how you relate to others.

More simply, self-concept is your own understanding of and comfort level about yourself. Some people may refer to self-concept as self-esteem, or self-confidence, or self-value. Regardless of the terminology, the message is the same: If you are content and happy with who you are and what you have accomplished, you are comfortable with others as well and are fully accepting of their achievements and contributions, regardless of whether those contributions may be deemed to be of higher value than yours.

We are disappointed in the lack of attention that this subject receives. Most leadership development courses and their content material focus principally on behaviors and competencies. The reality is that without a healthy self-concept, the other leadership competencies at best will feel unnatural and at worst will never be mastered.

In the words of one well-known CEO, “I can usually tell more about leaders and their potential through learning how they perceive themselves than in any other way.” Leaders with a positive self-concept do not have to tear down others to bring themselves up. They rarely yell, scream, or curse, and they do not feel the need to play political games for their own gain. Their value systems engender a positive regard for others because they first have a high, but appropriate, regard for themselves.

We consider positive self-concept a prerequisite for exceptional leadership because it influences every aspect of a leader’s effectiveness. Self-concept makes its most visible difference in the way leaders handle success and failure and work with others.

Successes and Failures

While highly effective leaders are driven to achieve, they are in control of that drive. They enjoy their accomplishments and take pride in them. Failures and setbacks may bother them but do not tear them apart.

Leaders with a poor self-concept view accomplishments as simple milestones—expected points of passage on the way to other landmarks. They rarely see the value of praise given to their organization or community. These leaders are often said to be out to prove something.

A similar phenomenon occurs with failures. Leaders with high self-regard view their failures in a balanced fashion—sure, there is

pain in failing, but there is also the opportunity to learn from mistakes. Failures will not cause great leaders to retreat from daring decisions in the future; instead, they will continue to move boldly but do so in a better-informed manner. Leaders with low self-regard do not see failures in the same way. They blame failures on others and on bad luck, and they seldom learn from such mistakes.

Working with Others

The more accepting leaders are of themselves, the better they are at accepting others. A leader's capacity to accept others creates a climate of psychological safety in the workplace. A safe climate allows people to better receive and use constructive feedback because they will not be distracted by feelings of personal vulnerability. Conversely, if people feel that their job is at risk, they are far more likely to act defensively, with self-preservation as their primary goal and the good of the team or organization as a secondary consideration.

A healthy self-concept also lends itself to encouraging and embracing diversity in the workplace. We have found that those who have a solid self-concept are more tolerant and accepting of people who have different backgrounds and beliefs. One of the hallmarks of exceptional leadership is the willingness and ability to assemble teams made up of diverse individuals. These leaders know that there is a great advantage to having such a team. Today's great leaders must continually incorporate diversity initiatives into their strategies; a strong self-concept makes doing this much easier.

Make no mistake: leaders can go very far *without* a healthy self-concept. We have observed several leaders who possess a low sense of self-worth but still reach top positions in healthcare. They may even be successful throughout their entire careers. In fact, some are driven overachievers, and others are absolute perfectionists or are compulsively controlling. However, these leaders' achievements typically come at the expense of others. They use tactics such as fear, intimidation, and political manipulation that can tear at the fabric of an otherwise positive organizational culture. Their direct reports are unlikely to

reach their full potential, and there are limits on how far people will follow these kinds of leaders.

We are clearly not alone in this perspective. A stream of research has been emerging that links self-regard to effectiveness. Several recent studies have found significant connections between self-concept (termed “core self-evaluations” in academia) and both job performance and job satisfaction (Judge and Bono 2000). Perhaps even more telling is that self-concept may also determine how much mentoring leaders receive during their career (Hezlett 2003), how effectively leaders can hear and use feedback on their performance (Bono and Colbert 2005), and how capable leaders are to recognize and pursue strategic opportunities on behalf of their organizations (Hiller and Hambrick 2005).

What to Do If Your Self-Concept Is Low

If you do not see this foundation in yourself, we recommend that you make building your self-concept a top priority. That may very well mean putting this book aside for a while or at least not beginning with these competencies as your primary focus. A positive self-concept is not something you can get from a book. However, we can suggest some useful first steps.

Consider How You Feel About Yourself

Are you satisfied with your life? Do you enjoy who you are, or do you have a nagging sense of regret? What about your career? Do you feel good about your achievements, or bad about the opportunities you may have missed out on? When you accomplish something, can you take pride in it, or do you view every achievement as nothing more than a means toward some greater end? When you fail at something, can you accept the lessons learned, or do you just curse yourself for trying in the first place? When someone else fails you, are you able to see their side, or do you find yourself quickly turning against them? If you were to learn that this day was your

What do these exceptional leaders do that makes all the difference? Join Stanford GSB Professor William Barnett for this complimentary one-hour webinar that explores the essential functions of leadership: how to effectively create a vision, lead people, and lead organizations.Â Examine the crucial role that leadership plays in your organizationâ€™s ability to innovate, disrupt, and win. Professor Barnett also previews the Stanford Executive Program: Be a Leader Who Matters. Exceptional leadership can only be reached when the human body is considered holistically, says Seven Suphi. This article provides a glimpse into the discoveries of over ten years of behavioural change work with business leaders.Â "Being an exceptional leader is about knowing the facts about being human and being effectively prepared for them: utilising the positive effects, minimising negative consequences and being continually curious about discovering more."