



## **The Five Attributes of Great Leaders: Why the Best Leaders Achieve the Best Results.**

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In my years as President of the Great Place to Work® Institute, it was my job to conduct and oversee research into what makes the nation's top workplaces thrive. That meant studying these workplaces closely to come up with deep understanding of what helps make people passionate about the places they work.

The reality is that creating a workplace of choice is no accident. While such workplaces can evolve organically, it is incredibly rare. More often it is the result of a concerted effort—a conscious plan set out by an employer—to build a great workplace. When a company pays attention to the needs of its workers, it is repaid for that effort. People who enjoy coming to work are more productive, stay at jobs longer, are healthier and are generally more willing to go the extra mile. Besides making the workplace more pleasant, the numbers show that leaders who care about employees can add a tremendous amount to the bottom line in saved healthcare costs, and employee training and retention costs.

Perhaps not surprisingly, the companies represented in the FORTUNE 100 Best Places to Work tend to outperform not only their peers but they have also been shown to significantly outperform the S&P 500 even in its best years. They are businesses that do well by doing good—doing good by their employees, their customers and the world at large.

Top businesses throughout the world are “waking up” to the virtually limitless potential of positive work environments because of the direct impact such environments have on the bottom line. Success stories include companies as diverse as Medtronic, Timberland, Whole Foods, Intel and Men's Warehouse that have consciously implemented positive work environments as a foundation of a larger corporate culture that creates great leaders.

After leaving the Great Place to Work® Institute, I set out with the goal of determining the underlying principles that informed their leadership in order to help others emulate their success. I quickly found that there are common characteristics of great leaders in every sector, and there are many immediate and relatively simple things others can do to create significant impact.

I have assembled numerous examples culled from my understanding of top-performing companies into what I call the Five Attributes of Great Leaders: self-awareness, bravery, kindness, innovation and inspiration. I have come to believe that these five attributes are characteristics which, when taken together and thoughtfully implemented, have the ability to effect powerful change.

## Self-Awareness

“Be the change you want to see in the world” – Gandhi

Self-awareness is the cornerstone of great leadership. A leader that exhibits self-awareness displays a clear sense of identity, a sense of purpose, and a distinct, consistent way of interacting with others. Without self-awareness, characteristics such as bravery or kindness, while valuable, are ultimately stripped of their power. For instance, bravery without self-awareness can be reckless—even dangerous. Innovation without self-awareness often seems more chaotic than cutting-edge. Self-awareness allows one to be directed. By thoughtfully attempting to understand the outcome you wish to produce, you can more effectively utilize qualities such as bravery or kindness in a focused way to maximize their impact.

More often than not leaders who exhibit a keen self-awareness, working within an organization that allows them to implement their vision to create a positive working environment, can drive performance and employee engagement to greater degrees.

*“Your true north cannot be redirected by external pressures. Once you start trying to satisfy one shareholder, you’ll have to deal with another shareholder with a different point of view. Same with board members and all your other constituencies. If you allow yourself to be pulled off course, you’re going to destroy your enterprise..” – Bill George*

Bill George is a fantastic example of a leader that makes self-awareness the basis of his leadership. For years, George has been an outspoken proponent of integrating mind/body awareness pursuits and work. While this may seem too esoteric to many organizations, George speaks openly about how meditation provides him with energy, creativity, clarity, and calm. Bill George is a professor of Management Practice at Harvard Business School—and was also the CEO of Medtronic, the world’s leading medical technology company where he presided over its growth from a \$1 billion company to a \$60 billion company. And he’s not alone in his belief that meditation is a valuable skill. Industry leaders including Google, Apple, Yahoo, Aztra Zeneca, IBM, 3Com, Texas Instruments, Raytheon and Nokia have all provided meditation training to their employees.

Another example of self-awareness is Henry McKinnell, CEO of pharmaceutical giant Pfizer. Under his leadership the company instituted a 360-degree performance evaluation process that allows employees at all levels to provide feedback for each other. When the results of his survey came in, McKinnell posted them to the company intranet for everyone to see, warts and all. While his openness could also easily be considered an act of bravery, what drove his behavior was his clarity of purpose. His commitment to transparency and his confidence in his ability to address criticism in a constructive and straightforward manner is a model of self-awareness.



As leaders such as Bill George and Henry McKinnell demonstrate, the ability to be self-aware allows one to not only have a greater sense of perspective about themselves but also a wider view of the role they play within their business. By acting with a clear sense of identity and purpose and by maintaining a distinct, consistent way of interacting with others, leaders can more effectively communicate and inspire.

Cultivating self-awareness is not as difficult as one might think. It does require a conscious effort to begin but, like any skill, with more practice it becomes progressively easier. Over time the principles of self-awareness become internalized to the point where they are simply a part of one's general orientation to the world.

Self-awareness is a scientific, yet personal, process of building hypotheses and performing tests. Developing self-awareness and mindfulness requires one to consistently compare their feelings and experiences in different situations and with different people in a personally probing and open way.

How to begin? It's as simple as taking a deep breath. One of the key aspects of self-awareness is the ability to take a moment to gain perspective and focus on the present. Often, simple exercises allow one to just step out of the moment and evaluate. One easy way to take a brief walk to clear your head—just step out of the moment literally and figuratively and re-evaluate.

When tackling a task or interacting with others it's important to remember to:

- Let go of held over frustrations - Concentrate on the task or interaction at hand without allowing negative aspects of your daily life bleed into your thinking and cloud your judgment. Did you have a frustrating commute? An argument with your teenage child? Don't let that color how you address other issues and vice-versa—don't snap at your partner because of disappointing quarterly results.
- Withhold judgment – When interacting with others, attempt to take their entire experience into account and take time to understand the full context of that interaction to the best of your ability. Refrain from making snap judgments. Try to see the world through their eyes. How does your past relationship with that person influence your ongoing interactions? How do you think they truly feel about you?

One of the keys to maintaining self-awareness is to be aware of others. When interacting with others, consider their total experience. Consider their role, how they experience you as an employee, supervisor or leader. By taking these things into consideration and gaining a greater understanding of others' point-of-view, leaders can speak in ways others find most meaningful. And where one finds meaning and understanding, action follows. For example, while leaders often have the ability to simply say, "Do this." showing the rationale behind the decision-making process allows others to have confidence in how those decisions are being made not and to understand their stake in those decisions. Further, it displays confidence in one's own decisions

and action while conveying trust and a sense of shared purpose. Self-aware leaders understand the value of making time to proactively develop relationships based on mutual respect.

### **Bravery**

I define bravery as the willingness to take measured risk based on data and personal beliefs for the betterment of an organization and/or the people in it. Leaders who create an environment in which people feel comfortable taking reasoned risk often reap great rewards. Bravery means having the courage to face failure but bravery can also mean the having strength to be a trailblazer. As a result, one of the most effective ways to encourage bravery in leaders is to create a greater sense of security by creating a culture in which people feel comfortable engaging in calculated risk.

Goldcorp is one of the world's largest publicly held gold mining companies. After investing in a mine that nobody else seemed to want in the Red Lake District of Ontario, Goldcorp saw little return. The 55,000-acre site was known to be rich in deposits, but after a year of having their best and brightest analyze the data Goldcorp still simply did not know where to dig.

It was around this same time that Goldcorp Chairman and CEO Rod McEwen attended a conference highlighting the then-new Linux operating system. Much like large software companies such as Microsoft, up to that point the mining industry had been notoriously secretive—and rightfully so, as divulging the location of prime drilling territory could mean massive losses. But the open-source model to which Linux subscribed fascinated McEwen. Linux was ownerless. Anyone could tinker with its code, to innovate and make it better. And that's when McEwen made a very brave call: open source mining. The stated goal was to help the company find its next six million ounces of gold. Industry-watchers, and many at Goldcorp, worried that someone would use its research and trade secrets to open an adjoining site or otherwise capitalize on Goldcorp's disclosures, but McEwen remained steadfast. Goldcorp posted 50 years of site maps on the Internet along their most current thinking regarding the site and asked the public the questions for which Goldcorp most needed answers: Where and how much should they dig? He offered a \$500,000 bounty for winning drilling plans. The response was overwhelming. 1400 qualified participants from 51 countries contributed 140 sets of plans and furnished Goldcorp with a wealth of ideas that they continue to utilize to this day.

Another leader who exemplifies bravery is Arkadi Kuhlman. Officially, Arkadi Kuhlman is the CEO of online banking company ING Direct but he says his unofficial title is "CEO of Savings." Because ING does business over the phone, the Internet and via email it maintains very few brick-and-mortar branches. ING Direct charges no bank fees, has no ATMS, no commercial bankers, no financial advisors, no minimum deposits and maintains a set of simple product offerings. Kuhlman is clear about his message: ING Direct values simple, inexpensive banking and it exists to help regular people save money. To keep costs low for their customers, ING Direct routinely drops customers whose balances are too large, require complicated account management or engage in too much activity. ING is for simple savings and as their CEO states, "What's better than apple pie, the little guy, fighting for the underdog? We want to own that

space”. A view he proved by stepping forward as the only banker to challenge the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005, which made declaring bankruptcy virtually impossible for individuals. His simple, approachable way of dealing in the world informs the way he manages his business.

By having the courage of their convictions, leaders like McEwen and Kuhlaman exhibit bravery. They are willing to take measured risk based on data and their personal beliefs—to push the envelope and not only say “what if” but also “go for it.”

## **Kindness**

Perhaps one of the most crucial components of leadership is kindness. Often, kindness arises from empathy, or the capability to share and understand the emotions and feeling of others. A self-aware leader is an empathic leader. The Golden Rule—do unto others as you would have them do unto you—seems straightforward enough, but it is a complex social interaction. It is surprising how often we don’t understand how we would like to be treated in a given situation or how often we allow ourselves to take the easy way out by saying, “That person is different than me. I can’t understand them and have no clue how they would wish to be treated.” Kindness requires having an awareness of one’s own wishes as well as how others perceive one’s actions. The greater good often requires putting the needs of others first and leaders that exemplify the Five Attributes are experts at understanding those needs.

A prime example of this form of kindness comes from clothing retailer Men’s Warehouse also treats workers with kindness. Founder and CEO George Zimmer, himself a recovering alcoholic, believes everyone deserves a second chance. Zimmer’s belief in giving second chances and allowing others the benefit of the doubt extends to their hiring policies—employees at Men’s Warehouse are never asked to submit to a background check and may be offered a second chance even if they are caught stealing from the company.

In another example, soon after taking over as CEO of chipmaking giant Intel, Paul Otellini sent out a company-wide email requesting that all accident reports be sent directly to him. This was not a heavy-handed attempt to micro-manage and crack down on workers, instead it was his way of showing Intel employees that the buck stopped with him—that he cared about their health and placed a high value on making Intel a safe place to work.

Performing an act of kindness—demonstrating that one is actively looking out for the well-being of others—tends to engender the desire to reciprocate that act of kindness. Simply giving someone the benefit of the doubt builds trust. The result? A shared sense of trust and mutual purpose.

Kindness begins at the top and often sets the tone for the rest of the organization. As leaders perform acts of kindness and create an environment in which others feel comfortable looking out

for one another, they inevitably take on a larger sense of commitment and security—a shared responsibility that comes from being part of a collective endeavor.

## **Innovation**

*“Ideas are the most important thing and everybody’s ideas are equal”---Al West, CEO of SEI*

Although innovation can arrive from inspiration, more often it is the result of raw determination—the belief that there has got to be a better way and the courage to pursue that belief. Yet, a leader that exhibits a creative, daring, and productive approach to solving organizational challenges can sometimes be mystifying to others. The push to innovate requires bravery and innovation, by definition, means doing something that challenges the status quo. Leaders must take that leap of faith and allow others the ability to take risks and engage in creative enterprises. By tapping into the innovative streak in others, leaders allow them to feel a sense of purpose and ownership over their work, their lives and the shared sense of accomplishment that arises when teams work well together.

*“Very few people can be brilliant, and they’re over-valued. It’s much more exciting to be a pioneer- Be a bit wacko and you shake people up. We all need shaking up.” – James Dyson, Founder and CEO, Dyson*

James Dyson is an archetypal innovator. As we now know, he resolved to make a better vacuum. What we don’t know is that it was only after 5 years and over 5000 prototypes, James Dyson felt that he was finally ready to go to market with his state-of-the-art vacuum. After 10 more years of trying to secure financing or corporate backing, he learned a lot about the kind of corporate culture he could never tolerate. At Dyson, memos are banned, emails are barely tolerated, there are two basic rules that employees must follow: don’t smoke and no ties allowed. His commitment to challenging the status quo—by doing nothing more radical than thoughtfully designing and re-designing everyday things—has led Dyson to sales of more than \$6 billion.

Like Dyson, innovation is the bread and butter of international industrial design firm IDEO. Consider IDEO’s “unfocus groups.” Traditionally, consumer research takes place when market research firms convene groups of like-minded people with similar tastes, socioeconomic backgrounds and personal demographics to examine a product or idea. IDEO does the opposite. For example, if IDEO is formulating a design for a new shoe they call on their “casting director” to bring together a disparate and opinionated group of iconoclasts. A single group may incorporate a lounge singer, a painter who moonlights as a limo driver, a firewalker— people from all walks of life with strong feelings about the purchases they make. They then break up into small teams to work with IDEO designers to prototype new shoes based on their unique tastes or styles.

Giving free rein to innovate may seem like an organizational nightmare that could lead to chaos. Yet industrial design firms aren’t the only ones shaking up the status quo to jump-start

innovation—there are even examples in the staid world of asset management. SEI is a leading global asset management company that handles over \$300 billion dollars in assets for mutual fund companies, yet despite their seemingly hierarchical org chart, it is ideas that win the day. SEI CEO Al West created a process in which senior leaders must initiate a project and then try to persuade people to join in. If it's not viable or simply not interesting enough, people are not obligated to engage the request. With just over 2000 employees, there can be a staggering 400 cross-functional teams operating at any one time to tackle challenges and problems. This kind of seeming disorganization would drive some leaders crazy, but SEI has harnessed this potentially explosive situation in ways that keeps employees engaged—so much so, that SEI has been named to the FORTUNE 100 Best Places to Work five times.

Whole Foods is actually in a whole different category when it comes to innovative human resources practices. The company maintains a wide range of policies to reinforce fairness and transparency, including its compensation policy. Its books are totally open. Every employee knows what every other employee makes not only at the executive level but at the store level, as well. The policy was born at a local store, when political wrangling and infighting among employees erupted when they felt that pay was not based on merit. First the policy took off across a region and eventually became its corporate policy.

And it doesn't stop there. While many employers have a "Suggestion Box" meant to allow employees to offer their thoughts on how to best address company issues the reality is that many employees often view dropping a suggestion into the box tantamount to dropping it in the trash can. Not so at Whole Foods. Whole Foods is also wholly democratic. Every three years employees vote on the benefits they want. A 2/3rds majority is required to ratify the hiring of a new employee following their four-week probationary period. Decentralized decisions include allowing local employees to determine which products are sold in local branches.

Innovation means risk—risk means the possibility for failure. Terms like "creative" and "daring" are more often romanticized than actively endorsed. By creating secure environments based on mutual respect and trust, leaders can mitigate the risk by appealing to an overall sense of responsibility while still encouraging creative thinking. Take the leap of faith! There is no shortage of people who "would have, could have, should have." Innovative leaders know they can fulfill their potential by allowing others to be fulfilled.

## **Inspiration**

When at their very best, leaders are inspirational. A leader that exhibits excitement and enthusiasm for a shared vision unites and aligns people in a way that creates success. Inspiration begins with that larger vision. An assembly line worker who believes he is contributing to the goal of making the world's best cars approaches work much differently than one who does nothing but ruminate on the drudgery of stamping out the same part, day after day. Leaders who inspire others have a fundamental appreciation of that difference. Leaders cannot simply put a smile on what can be difficult, dangerous or monotonous work. Leaders must show a genuine



appreciation for the challenges each employee faces and undertake the responsibility of making them feel valued by showing them how their efforts are critical to greater success of the company.

Ask an employee at Southwest Airlines what business they're in and chances are they'll say they're in the freedom business and their sole purpose is to democratize the skies. Think about it: no first or business class, no frills, no super V.I.P.s—just regular passengers ready for a pleasant, maybe even fun, flight. Their motto, “You are now free to move about the country” is perfectly aligned with Southwest's message to its 30,000 employees: “You are now free to learn and grow.” But they don't stop there. Southwest employees enjoy seven additional freedoms including the “freedom to pursue good health” and the “freedom to make a positive difference.” Southwest hopes to inspire their employees to be more than just workers—they want them to be freedom fighters and understand that they are valued.

According to Richard Smucker, Smuckers's doesn't simply make jam and PB&J—they make Sunday morning. When he speaks of the company's purpose, in making food products he sees a larger mission. His caring attitude doesn't simply encompass the breakfast table, he takes it all the way to the factory floor. When hearing Richard Smucker speak it's clear that the company lives by values that are simple and from the heart: thank someone for a job well done; listen with your full attention; look for the good in others; and maintain a sense of humor. Simple principles can have serious results: Smuckers was named the number one company to work for in America in 2004 and it consistently ranks within Forbes' Best Big Companies and the Forbes Global 2000.

Leaders who inspire others have often had inspirational experiences of their own. *Business Week* calls Salesforce.com one of the few bona fide successes among the dotcoms born in the 90's. But then, Marc Benioff is not an average guy. A one-time salesman for Oracle, Benioff started Salesforce.com after a three-year spiritual journey swimming with dolphins and traveling to India to seek enlightenment trying to come up with a vision for his future. Benioff now infuses his organization with a healthy dose of spirituality. In addition to offering mediation training, Salesforce.com celebrated reaching its 100,000 enlightened user benchmark by participating in an event featuring the Dalai Lama. As it states on its website, Salesforce has over 40,000 global customers, 1,000,000 subscribers...and was recognized by Forbes magazine in January 2008 as the 2nd-fastest-growing tech company.”

By allowing others to feel that they are part of a larger purpose and organizing leadership around a shared vision, leaders can inspire individuals and entire companies. Inspiration can transform day-to-day activities from obstacles into challenges, monotony into building foundations for future success. The broader challenge of inspiring others is to understand what is important to employees and how that larger sense of purpose can align with the work they do every day. And it is for this reason that being truly inspiring can be so incredibly challenging. Nothing rings more hollow than a corporate tag line or motto that is manifestly untrue, disingenuous, hypocritical or glib. Inspiration allows one to feel pride in one's accomplishments. By

employing kindness and bravery, the self-aware leader can gain a greater understanding of the shared values of the organization and develop the ability to inspire others.

### **Success and the Five Attributes**

The hard reality is that unless leaders employing the Five Attributes of Great Leaders can generate successful outcomes, little else matters. Each of the examples listed above is an example of a company and/or leader that has turned the Five Attributes into real success with tangible results. Remember Men's Warehouse and their policies regarding background checks and second chances in cases of employee theft? Men's Warehouse reports a .4% loss from theft as compared to the industry standard 1.5%. Or what about the Intel's policy requiring that all accidents be reported to the CEO? Intel's accident rate is .4% per 100 employees versus the industry-wide average of 6.6%. These are but two of the great many examples I found in my research.

Leaders are often looking for a list of things to do, or a silver bullet—ways to tactically operationalize their way to greatness by cutting and pasting strategies from other organizations into their own and expecting the same results. Needless to say, this rarely happens. A town hall-style meeting at one company may be very successful while the very same town hall meeting at another would be disastrous. What works in an environment like Apple will not work in a culture such as Google or SEI. Leaders have to know what's consistent and what's inconsistent with who they are and who their employees are as individuals and as an organization. They need to understand what they believe in and what is special and unique about their organization. They need to be self-aware.

Can these principles be taught? Absolutely. An excellent example of such learning occurred when American Express agreed to allow three of its Vice Presidents and thirteen financial advisors to undertake a yearlong course focusing on training in emotional competence, stress management and forgiveness with the Stanford University Disease Prevention Department. The result? Sales within the team grew 18% as opposed to 11% among employees that did not undergo the training. Stress levels among the group fell 25% and the measure of positive feelings increased by 20%.

Another example is top Canadian telecommunications company, TELUS Mobility. TELUS instituted a Wellness Centre where employees can take a break to quietly relax or take courses and workshops on meditation, tai chi, stress management, flexibility and mental focus. Some classes include "What is Meditation," "Unchain Your Brain," and "What's Next in my Life?" an eight-week meditation, journaling, and visualization course. Since the introduction of the Wellness Centre there has been a significant decrease in the use of prescription drugs and the use of sick time has dropped by 16%. Following on the success of its personal wellness program, TELUS instituted a professional development plan. The result? 92% of employees believe that they are responsible for contributing to the profitability of the company.

In 1998 the Methodist Hospital in Houston recognized that they had strayed from their core values. They engaged in a transformation program promoted by a company called Cultural Transformational Tools that taught classes based on what it termed the Seven Levels of Leadership Consciousness. Following the training, Methodist Hospital went on to be named to the Fortune 100 Best Companies and U.S. News and World Report's Top 100 U.S. Hospitals. Employee turnover tumbled from 24% to 15% and vacancy rates dropped from 6.7% to 3.1%.

### **Simple Steps That Lead to Major Impact**

Perhaps the most important thing to understand about the Five Attributes of Great Leaders is that we all have them. These attributes are innate human characteristics. More often than not, the work is in relearning these skills- getting back to them- as opposed to being introduced to something for the first time. We are born self-aware, brave and kind are we not? Is it not true that when you were 5 years old, you were braver than you are today? What about kinder or more self-aware? Why is it that we predictably forget these critical life skills as we grow older, take on more responsibility, and judgment? I don't know anything more inspiring than watching my first grader tackle a challenge. It is innovation at its best.

While self-awareness is the cornerstone of the Five Attributes, the truth is that many of the examples above could just as easily serve as an example of one of the other attributes. The example of Goldcorp could be considered both an act of bravery and innovation, the policies of Men's Warehouse could be seen as both kind and inspiring. The Five Attributes are not a hierarchy, but an interrelated series of characteristics designed to allow leaders to structure their thinking and give them terms to incorporate into the language of their daily lives. The more integrated and present these attributes are in one's daily life, the more the attributes are examined, refined and employed.

As I mentioned above, top thinkers such Harvard professor and former Medtronic CEO Bill George and industry leaders including Google, Apple, Yahoo, Aztra Zeneca, IBM, 3Com, Texas Instruments, Raytheon, Salesforce and Nokia all believe in the value of meditation training for their employees. Regardless of whether or not one thinks meditation is a valuable practice, one can't help but ask why these top companies—from defense contractors to telecommunications giants to Internet companies and pharmaceutical manufacturers—think it is.

Bill George pinpoints the time when he first began to meditate as the time when he found the greatest balance and success as a leader. Meditation—something as simple as sitting down for 10 minutes before work, clearing one's mind and focusing on breathing allows one to relax and refresh. It allows one to “take time out of time”. Or maybe just feel your feet as you walk, how your weight is distributed over the soles of your feet and how they move as you slow your stride. Take time to slow down and note the experiences we have every moment but tend to tune out without intent focus.

Other simple steps include:



- Integrating the language of values and vision into your daily life
- Begin to consider the full experience of a peer, boss or direct report as you interact with them
- Let go of frustrations and stress and allow events of the day to unfold without undue influence
- Allow yourself to surrender to those events by withholding judgment
- Be patient and forgiving with yourself and others

### **The Five Attributes of Great Leaders**

As I have shown, companies and leaders that pay attention to the needs of their workers are repaid for every effort they make. By promoting self-awareness and mindfulness in one's daily life, leaders can create work environments that are challenging, enjoyable and rewarding—both personally and for the bottom line.

Studies have shown that 75% of a leader's success is not about what they know but about how they behave and communicate. Studies of hiring managers show that 85% of jobs and promotions granted are a result of the candidate's attitude during the interview process—not tactical skills or experience. Companies spend a great deal of time training to improve skill sets, but the difference between good and great leaders is often not about skill sets or the quality of management toolkits and training within their reach, but rather their ability to engage others.

As hundreds of top leaders and major corporations from all nations and sectors have shown, leading by example, incorporating the language vision and values into daily life and developing the attributes of self-awareness, bravery, kindness, innovation and inspiration within an organization, results in powerful transformation, more fulfilled workers and increased bottom-line success.