

International Bestseller

JAMES M.  
KOUZES

BARRY Z.  
POSNER

# THE LEADERSHIP CHALLENGE

Sixth Edition

How to Make *Extraordinary* Things  
Happen in Organizations



# Praise for *The Leadership Challenge, Sixth Edition*

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“Now in its sixth edition, *The Leadership Challenge* has stood the test of time for good reason—it’s quite simply one of the best books you’ll ever read on leadership. A must read!”

—**Ken Blanchard**, coauthor of *The New One Minute Manager*<sup>®</sup>  
and *Leading at a Higher Level*

“How can a book celebrate its 30th anniversary and still remain relevant? Easy! It’s because the authors never stop growing, learning from all the clients they work with, from all they read in the literature, and from one another. They continue to fill the pages of this book with the best stories, examples, and memorable lessons learned. This is the right resource for anyone just entering the leadership field, or for those who read the book three decades ago!”

—**Beverly Kaye**, founder, Career Systems International,  
coauthor, *Love 'Em or Lose 'Em, Help them Grow or Watch Them Go*

“Whether you are just beginning your leadership journey, or a seasoned CEO, or a professor of leadership, this timeless leadership classic needs to be within constant reach!”

—**Harry Kraemer Jr.**, former chairman and CEO, Baxter International;  
professor of management and strategy, Northwestern University’s  
Kellogg School of Management

“*The Leadership Challenge* is a book that not only serves your career but more importantly it is a tool for leading a better life. Jim and Barry have put together one of the greatest of leadership insights. Every leader should take advantage of the gift that is *The Leadership Challenge*.”

—**Howard Behar**, president (retired), Starbucks Coffee

“I love *The Leadership Challenge*! This is the book on leadership that I recommend to all of my clients. The sixth edition provides the best of all worlds: 1. It contains the timeless wisdom that Jim and Barry have accumulated over more than 25 years—it has been and continues to be a classic in our field. 2. It has been updated to reflect how their timeless leadership concepts can be best applied in today’s ever-changing world.”

—**Marshall Goldsmith**, bestselling author of *What Got You Here  
Won’t Get You There*, *MOJO*, and *Triggers*

“I’ve been a fan—and follower—of *The Leadership Challenge* for almost 25 years, and the principles are as relevant today as they have ever been. In this leadership classic, Kouzes and Posner have identified and brought to life invaluable practices that are as insightful as they are practical.”

—**Patrick Lencioni**, president, The Table Group;  
bestselling author of *The Five Dysfunctions of a Team*  
and *The Advantage*

“No book has ever chronicled the practices of true leadership better than *The Leadership Challenge*, and this updated edition deftly outlines how to be a phenomenal leader in the 21st century.”

—**Chip Conley**, New York Times bestselling author of *Emotional Equations*,  
and Airbnb Global Head of Hospitality and Strategy

“*The Leadership Challenge* is a classic, insightful and compelling book. All leadership positions come with its own challenges, but not all leaders know how to navigate through them. If you are looking to excel as a leader, and you need digestible and partial advice: *The Leadership Challenge* by Jim Kouzes and Barry Posner is the book for you. It will not only help you become a great a leader but it will help mobilize your people into getting extraordinary things done. Buy this book, read this book and live this book. Then buy this book for those who truly care about leadership.”

—**Lolly Daskal**, president and founder of Lead From Within,  
author of *The Leadership Gap: What Gets Between You*  
and *Your Greatness*

“If I could recommend only one of the tens of thousands of leadership books ever written, *The Leadership Challenge* would absolutely be my top choice, and by a wide margin. This sixth edition builds markedly on the last but remains characteristically Jim Kouzes and Barry Posner—a complex work in its underlying character, but brilliant in its simplicity and practical in design. *The Leadership Challenge* is the most useful leadership book ever written; I have each and every edition, and each is better than the last.”

—**Thomas A. Kolditz**, PhD, director, Doerr Institute for New Leaders,  
Rice University

“*The Leadership Challenge* is more relevant now than ever. Jim and Barry continue to provide compelling evidence and examples of leadership that embodies our humanity and capacity to intimately collaborate with others. This book is important in sustaining our faith in the possibilities inherent in institutional life, no matter what chaos surrounds us at the moment. I highly recommend this book.”

—**Peter Block**, author of *Flawless Consulting* and *The Empowered Manager*

“Kouzes and Posner did not invent leadership but sometimes it seems that way. As Alice Waters is to cooking, or Paul McCartney is to music, Kouzes and Posner have developed a discipline and an approach to leadership that sets them apart from all the others. With the sixth edition of *The Leadership Challenge* they not only update their research, they make it once again, come alive. *The Leadership Challenge, 6th Edition*, not only coaches us on how to make extraordinary things happen, the book is extraordinary.”

—**Richard A. Moran**, Ph.D., president, Menlo College and  
author of *The Thing About Work, Showing Up*  
and *Other Important Matters*

“For over 25 years *The Leadership Challenge* has guided me to know myself and growing as a leader and achieving better results—every time! This new edition improves on an already extraordinary and time tested model by emphasizing the importance and value of engaging your team and those around you. In my business, being a better leader and growing new leaders means improving the health of people and their families. When nurses are more engaged and authentically supported, patients are healthier! *The Leadership Challenge*, with this contemporary update, enables me to improve the health of patients, their families and the communities that we serve. With so many leadership books out there this is truly the ONLY one that you need.”

—**Lori Armstrong**, MSN, RN, NEA-BC, chief nurse executive,  
Kaiser Permanente Santa Clara Medical Center

“What appeals to me most about *The Leadership Challenge, Sixth Edition* is sheer enthusiasm for the art and the practice of leadership. The art of leadership involves bringing people together for common cause. The practice of leadership requires commitment to action for the common good. Both are easy to address, but hard to implement. In this wonderful new edition, Jim Kouzes and Barry Posner provide real-world advice—underscored with solid research—that points us in the right direction. Good stuff!”

—**John Baldoni**, president, Baldoni Consulting LLC;  
author, *Lead with Purpose*, *Lead Your Boss*, and *Lead By Example*

“*The Leadership Challenge* is written for leaders who want to transform organizations through some of the most turbulent times in healthcare. These case studies and research on The Five Practices and Ten Commitments of Leadership present very practical ways to be visionary, innovative, collaborative, and engaged with your employees. Every nurse is a leader—from the bedside to the boardroom—and all should be competent in the works of *The Leadership Challenge*. I recommend it to ALL!”

—**Susan Herman**, DNP, MSN, RN, NEA-BC, CENP,  
2015 president, Assoc. of CA Nurse Leaders,  
and VP Patient Care Services & CNO,  
San Joaquin Community Hospital/Adventist Health

“If I could recommend only one of the tens of thousands of leadership books ever written, *The Leadership Challenge* would absolutely be my top choice, and by a wide margin. This sixth edition builds markedly on the last but remains characteristically Jim Kouzes and Barry Posner—a complex work in its underlying character, but brilliant in its simplicity and practical in design. *The Leadership Challenge* is the most useful leadership book ever written; I have each and every edition, and each is better than the last.”

—**Thomas A. Kolditz**, PhD, director, Doerr Institute for New Leaders,  
Rice University

“*The Leadership Challenge* isn’t theory. It’s insight based on rigorous and extensive research. And for me, the most profound insight is a very simple one: the importance of defining your own personal values and aligning your leadership style around them. As the leader of a large sales organization, I’ve seen firsthand how powerful that type of authentic leadership can be at all levels.”

—**Mark Madgett**, SVP & Head of Agency, New York Life

# **THE LEADERSHIP CHALLENGE**

**SIXTH EDITION**

**How to Make  
Extraordinary Things  
Happen in Organizations**

**JAMES M. KOUZES**

**BARRY Z. POSNER**



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## INTRODUCTION

# Making Extraordinary Things Happen in Organizations

**THE LEADERSHIP CHALLENGE** is about how leaders mobilize others to want to get extraordinary things done in organizations. It's about the practices leaders use to transform values into actions, visions into realities, obstacles into innovations, separateness into solidarity, and risks into rewards. It's about leadership that makes a positive difference in the workplace and creates the climate in which people turn challenging opportunities into remarkable successes.

The publication of this edition of *The Leadership Challenge* marks thirty years since the book was first published. We've spent nearly four decades together researching, consulting, teaching, and writing about what leaders do when they are at their best and how everyone can learn to become better leaders. We're honored by the reception we've received in the professional and business marketplace and blessed that students, educators, and practitioners continue to find that *The Leadership Challenge* is both conceptually and practically useful.

## The Leadership Challenge

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We persist in asking today the same basic question we asked in 1982 when we started our journey into understanding exemplary leadership: *What did you do when you were at your personal best as a leader?* We've talked to men and women, young and old, representing just about every type of organization there is, at all levels, in all functions, from many different places around the world. Their stories, and the behaviors and actions they've described, have resulted in the creation of The Five Practices of Exemplary Leadership® framework described in this book. When leaders do their best, they Model the Way, Inspire a Shared Vision, Challenge the Process, Enable Others to Act, and Encourage the Heart.

*The Leadership Challenge* is evidence-based. Analyzing thousands of case studies and millions of survey responses resulted in The Five Practices framework. The hundreds of examples in this book, of real people doing real things, document the practical nature of the model. Each chapter provides fresh and original data on the impact that the behavior of leaders has on engagement and performance.

With each new edition, we get clearer about the leadership actions that make a difference. We reiterate what's still important, discard what's not, and add what's new. We contemporize the framework and freshen up the language and point of view so that the book is highly relevant to current circumstances and conditions. And, we are more authoritatively prescriptive about the best practices of leaders. The more we research and write about leadership, the more confident we become that leadership is within the grasp of everyone. The opportunities for leadership are boundless and boundaryless.

With each new edition, we also get to address a new audience, and sometimes even a new generation of emerging leaders. That opportunity motivates us to collect new cases, examine new research findings, and talk with people we haven't heard from. It encourages us to perform a litmus test of relevance on our results: Does this model of leadership continue to make sense? If we started all over again, would we find new leadership practices? Would we eliminate any of the practices? In this regard, we are aided by the ongoing empirical data provided by the online version of the *Leadership Practices Inventory*.® This inventory, which assesses The Five Practices, provides more than 400,000 responses annually, and

keeps us on guard and on target in identifying the behaviors that make a difference.

We know that all of you face vexing issues that not only make leadership more urgent, but also require you to be more conscious and conscientious about being a leader. Others are looking to you to help them figure out what they should be doing and how they can develop themselves to be leaders. You don't just owe it to yourself to become the best leader you can possibly be. You owe it to your constituents. They are also expecting you to do your best.

## **A Field Guide for Leaders**

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How do you become the kind of leader people want to follow? How do you get other people, by free will and free choice, to move forward together in pursuit of a common vision? How do you mobilize others to want to struggle for shared aspirations? These are only some of the important questions we address in *The Leadership Challenge*. Think of the book as a field guide to take along on your leadership journey. Think of it as a manual you can consult when you want advice and counsel on how to make things happen and move forward.

Chapter One offers two case studies about Personal-Best Leadership Experiences. These stories took place in dissimilar locations and industries, involving different functions, people, and styles, but they both illustrate how The Five Practices apply whenever you accept the challenge of leadership. The chapter continues with an overview of The Five Practices and illustrates empirically that these leadership practices make a difference.

Asking leaders about their personal bests is important, but it's only half the story. Leadership is a relationship between leaders and followers. A more complete picture of leadership develops when you understand what people look for in someone they would *willingly* follow. In Chapter Two, we reveal the characteristics people value most in their leaders and share the voices of people explaining why these are important.

## The Leadership Challenge

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The ten chapters that follow describe the Ten Commitments of Leadership—the essential behaviors that leaders employ to make extraordinary things happen—and explain the conceptual principles that support each of The Five Practices. We offer evidence from our research, and that of others, to support the principles, provide examples of real people who demonstrate each practice in real life, and prescribe specific recommendations on what you can do to make each practice your own. A Take Action section concludes each of these chapters, suggesting what you need to do to make this leadership practice an ongoing and natural part of your behavioral and attitudinal repertoire. Whether the focus is your own learning or the development of your constituents—your direct reports, team, peers, manager, community members, and the like—you can take immediate action on every one of our recommendations. They don't require a budget or approval from anyone. They just require your personal commitment and discipline.

In Chapter Thirteen, we call on everyone to accept personal responsibility to be a role model for leadership. Through six editions, we continue to champion the view that leadership is everyone's business. The first place to look for leadership is within yourself. Accepting the leadership challenge requires reflection, practice, humility, and taking advantage of every opportunity to make a difference. As we have in every edition, we close with this conclusion: Leadership is not an affair of the head. Leadership is an affair of the heart.

We recommend that you first read Chapters One and Two, but after that there is no sacred order to proceeding through the rest of this book. Go wherever your interests are. We wrote this material to support you in your leadership development. Just remember that each practice and commitment of leadership is essential. Although you might skip around in the book, you can't skip any of the fundamentals of leadership.

\* \* \*

The domain of leaders is the future. The work of leaders is change. The most significant contribution leaders make is not to today's bottom line; it is to the long-term development of people and institutions so they can adapt, change, prosper, and grow. Our ongoing aspiration is that this



## Introduction

book contributes to the revitalization of organizations, to the creation of new enterprises, to the renewal of healthy communities, and to greater respect and understanding in the world. We also fervently hope that it enriches your life and that of your community and your family.

Leadership is important, not just in your career and within your organization, but in every sector, in every community, and in every country. We need more exemplary leaders, and we need them more than ever. So much extraordinary work needs to be done. We need leaders who can unite us and ignite us.

Meeting the leadership challenge is a personal—and a daily—challenge for everyone. We know that if you have the will and the way to lead, you can. You supply the will. We'll do our best to keep supplying the way.

James M. Kouzes  
*Orinda, California*

Barry Z. Posner  
*Berkeley, California*

April 2017



# WHAT LEADERS DO AND WHAT CONSTITUENTS EXPECT



## CHAPTER 1

# When Leaders Are at Their Best

**FOR BRIAN ALINK**, the digital revolution is as profound as the Industrial Revolution.<sup>1</sup> The way organizations solve problems, drive innovation, and scale those innovations to millions of people so quickly and efficiently is massively changing the workplace, the marketplace, and the community. But as exciting as all this is, something else energizes him even more: the chance to learn how to be an even more effective leader in this new context.<sup>2</sup>

The opportunity to do just that came when Brian was asked to help refine how the credit card business at Capital One Financial Corporation serviced customers across all channels. This challenge was different from others he had spearheaded because it was about “how we change the mind-sets of leaders across the credit card business to use a digital-first approach for servicing. It was about solving real problems that cause customers pain, anxiety, or frustration, and about how we can make it better for them.”

When Brian moved into his current role as managing vice president at Card Digital Channels, he began working with a newly formed team

## The Leadership Challenge

that had just come together. “This put a whole lot of uncertainty into what we were doing,” he acknowledged, and so Brian spent the first few weeks meeting with the executives and other leaders who owned parts of the customer experience, “just listening, learning, getting context, and immersing myself in the situation.” He did the same one-on-one with his immediate team. Guiding him in this initial relationship-building process was a leadership philosophy that had served him well over the years: “At the very beginning of a journey like this,” he said, “it’s about getting to know each other personally.”

It’s about knowing who these people are that are working with me, knowing their values, what they love to do, what they care about, and what they stand for. I also love the opportunity to introduce myself—not as a leader or as a strategist or as the analyst or whatever we’re trying to do—but just as somebody who is with them as a real human trying to have a greater experience in life and trying to make the world a better place.

Brian pulled his entire leadership team together for a four-hour discussion. He began by explaining how he was attempting to build an environment of trust:

This is the kind of environment where we want to do the greatest work of our lives, where we want to truly make a difference, where we’re feeling committed and we want to do something that matters, that has meaning to us personally.

Trust comes from understanding each other’s values and understanding our experiences and what we stand for. In order for that to happen, we’ve got to be vulnerable, and we have to be open. Then we can build on that base of values and trust.

Brian had found that every time he's had this conversation with a new team the experience had been “magical.” Without exception, people opened up and shared their personal challenges with one another. As Brian appreciates, everyone has challenges in their lives, and that it's those hard moments that shape who people are and what they stand for. “What drives all of us,” Brian says, “is that we want to do something meaningful for the people we work with, where it really helps them grow and do something better for the people around us. We want to have that same kind of impact on our customers.”

Through those early meetings, Brian and his team got clear about their shared vision and values. They developed their core strategy and determined how they were going to operate. With this collaborative effort, everyone on the team felt they had created their approach together and developed ownership for it.

Brian and his leadership team then designed and conducted an all-hands meeting that included both his immediate team and extended teams outside the Card Customer Experience organization. They walked everyone through the process their team had gone through together, then rolled out the new plan and engaged everyone—the developers, the software engineers, the designers, and others—in learning about their mission. This approach helped to dissipate much of the concern and ambiguity, and, Brian observed, “communicated clearly that the leadership team was emotionally committed, had each other's backs, were here to help support our entire team, and to do something big that really mattered.”

But they didn't want this to be only a priority for the customer experience team. They needed to make the idea of helping customers become more digital, and have effortless experiences, a shared vision across all of the credit card business. They wanted everyone—people from product design, credit policy, fraud, collection, credit lines, lost and stolen cards, and other functions—to see themselves in the bigger picture. Brian's team set up meetings with leaders from across the business, shared their aspirations with them, showed them where customers were running into problems, provided them with insightful data, and

## The Leadership Challenge

told them how they could work together to create painless experiences for customers.

As essential as it is to create a vision for and to serve your own vertical team, Brian told us, it's equally important to do the same for your peers and those you don't directly manage:

If we can get leaders who are adjacent to our area to come help us and then be willing to give them the credit for the help they provide, it doesn't take away from my leadership or my team's contribution at all. This is a powerful way to get a lot more intelligence and mind share and support for something bigger that we all need to be working on. In doing so, we create a win for everybody.

Knowing that getting others to collaborate isn't always easy, Brian offered technical resources from his own team in order to help others help him. He operated on a compelling premise: "We are going to win if we help others win. We've got to give in order to get. If we can move the whole organization, what we are going to get is so much bigger than what we could ever have done on our own. . . . Being humble and letting others shine comes back to you many times over." Brian's team created moments when leaders from other parts of the organization would come together and showcase their work. These forums elevated others, honored them, and gave them public recognition and credit for the contributions they were making.

While the core of the customer experience approach to leading is elevating others, staying in the background, and giving credit to others, Brian makes sure that those who do the giving are refueled with the energy they need to keep on giving. Each week, he and his leadership team hold standup meetings at which they highlight what everyone is working on and look into problems, successes, lessons learned, and even failures they've had. Those who work in different geographic locations join by video. During these meetings, the leadership team looks for "praise



moments” where they can draw attention to exemplary behaviors in front of everyone. When they hear or see something they want to shine a spotlight on, someone will say, “Let’s pause for just a moment. That right there was a wonderful example of what we are striving to do.” When people see the successes and hear the positive feedback, it creates momentum.

“When working to transform a company into a customer-focused, digital organization,” Brian told us, “it’s immensely helpful to frame the leadership scope as a mission that transcends organizational boundaries. Customers don’t know which part of an organization they are dealing with! Limiting the leadership model to the immediate team greatly limits the scope and speed of impact a leader can have on transforming a complex customer journey through an organization.”

This is definitely a leadership philosophy for a new era. It’s a 360-degree view of leadership that is more inclusive and more open than what many people have experienced in the past, and it produces results. In less than a year, this collaborative effort at Capital One improved a multitude of customer experiences. For example, customers saved hundreds of thousands of hours of calling time in 2016 as a result of enhanced digital experiences and customer touchpoints. The ratio of customer calls to accounts began a steady downward trajectory to the lowest level since being measured—a major driver of efficiency for the business. At the same time, scores tracking the percentage of people recommending Capital One hit all-time highs.

\* \* \*

For Anna Blackburn, “the values match was the biggest driver” in taking her first job with Beaverbrooks the Jewellers, Limited, a family-owned retailer in the United Kingdom. Eighteen years later, these same values drive her as its chief executive officer—their first non-family member, and first female, to hold that position. Honoring values is also at the heart of Anna’s Personal-Best Leadership Experience.<sup>3</sup>

Founded in 1919, Beaverbrooks has a long and honored history. Today it operates seventy stores, has a significant online presence, and employs nearly 950 people. It’s not only dedicated to offering customers

## The Leadership Challenge

quality jewelry and watches, it's also very proud of its dedication to a mission of "enriching lives." Beaverbrooks contributes 20 percent of post-tax profits to charitable organizations, and it invests heavily in its colleagues—which has earned the company recognition by *The Sunday Times* (Britain's largest-selling national Sunday newspaper) for thirteen consecutive years as one of the 100 Best Companies to Work For.

Anna's appointment as CEO came at an unsettled time. Her predecessor, a family member, left the company to pursue other ventures. The company had veered away somewhat from its core strategy and culture, and colleagues weren't embracing the new ways. Her fifteen years with the company, however, prepared Anna well for the challenge. Starting on the sales floor, she had served in almost every role and function, worked in locations throughout England and Scotland, and spent five years on the executive team.

None of that meant she could assume she knew what people wanted from her in this new position. One of her first actions was to send out a survey inviting everyone in Beaverbrooks to say what qualities they most wanted to see in the new CEO. At the next annual managers' conference, Anna shared the survey results. People wanted her to be honest, inspiring, competent, forward-looking, caring, ambitious, and supportive, she said, and she pledged to them that she would do everything she could to live up to these expectations.

These actions were an early signal of how Anna intended to be a collaborative and inclusive leader, and her next steps reinforced that aspiration. For example, over the years, Beaverbrooks's operations had become increasingly complicated and formalized, and people had lost a sense of ownership in the business. Instead of introducing any radical new direction, Anna initiated changes that were "always within the context of building on our strengths," she said.

It was back to the basics and keeping things simple.  
Where strategies often go wrong is that you lose  
connection with the person who's going to be making  
the biggest difference in your business. They needed  
to buy in and understand the impact they were  
having.

A major disconnect that Anna observed was that even though Beaverbrooks made *The Sunday Times* best company list year after year, profits were relatively low. With a firm belief “that being a great workplace and having a great environment should absolutely pay into the bottom line,” Anna set out “to prove that being a great workplace is actually profitable.” However, she wasn’t interested in Beaverbrooks being profitable simply for its own sake. She told us that

Beaverbrooks is a business with a conscience. The more successful we are financially, the better we can take care of the people who work for us and the better we can support the wider community. The more successful we are, the more good we can do.

Part of what needed to be done, Anna believed, was to create a greater sense of shared accountability and responsibility: “We needed to have each and every person ready to take their part in making the culture what it needed to be. One person cannot fix, develop, or evolve a culture.” When feedback to the executive level indicated that they worked too much in silos and were disconnected from the stores, Anna introduced new ways to create greater collaboration and synergy. The monthly executive team meetings, for example, became much more focused on strategy, and the quarterly senior manager and corporate office meetings dealt more with operational decisions and with acknowledging the successes experienced in the stores.

Anna also continued the focus group tradition that chairman Mark Adlestone had started: small group meetings of about eight people from similar roles. Annually, she holds fourteen focus groups—six for sales teams, and two each for managers, assistant managers, supervisors, and the office team. The meetings last a half-day, and include discussions of what’s working and not working, as well as acknowledgments of individual successes.

Given feedback from the focus groups, Anna devised a new framework for talking about the business, a concept she called The Three Pillars. It is depicted as three pillars standing on a solid base and capped

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by a header. Written on the base is Beaverbrooks's purpose: "Enriching Lives." On the header is the company name. The first pillar is labeled "Customer Service and Selling"; the second is "Financial Success"; and the third is "Great Workplace." "The key thing," Anna explains, "is that all three pillars are in alignment and the same height. If one pillar were higher than the others, the roof would fall off."

Another of Anna's major initiatives was a refresh of the Beaverbrooks Way, a one-page document, originally published in 1998, that codified the purpose and values of Beaverbrooks. It was not that the values had changed, but that the document was incomplete and unclear. "There was nothing about being a jeweler, and the family values were not referred to," Anna told us. "The values were also open to individual interpretation rather than stating what these values mean in Beaverbrooks." Anna wanted as many people as possible to provide input on a revised Beaverbrooks Way, and she spent twelve months gathering information. She asked questions about it in focus groups, she talked about it with trainee managers, and she sent out feedback forms to all the stores and departments.

She received extensive comments and, with the help of the regional managers, created a supporting document that they introduced at the annual company meeting. In her introduction to this thirty-two-page booklet, Anna wrote:

I received a lot of feedback about what you wanted to see from the Beaverbrooks Way going forward. You asked for clear and simple language, more explanation of our values and behaviors, and more of a working document. This document is a result of your feedback . . . [It] includes "The Beaverbrooks Way" (who we are, what we do, why we exist, and our values) and highlights our behaviors—simply. Our behaviors are defined by examples to help bring our culture to life.

As much as Anna's attention focuses on improving business performance, she also takes to heart her constituents' desire for a caring and

supportive leader. For example, she told us, “We find as many excuses as possible to celebrate successes. I think it’s important that people feel recognized and rewarded and valued for the difference they make.” From quarterly business reviews with regional managers to informal office gatherings, Anna takes the time to turn the spotlight on those who do the right things. As they say in the Beaverbrooks Way, “When we recognize what is working well and creating success, we are more likely to repeat the behavior that helped create the success in the first place.” Repeating behaviors that create success is paying off. In the most recent ranking by *The Sunday Times*, Beaverbrooks was the top retailer on the list. Profits were also at an all-time high, proving that you can be both a great workplace and a profitable business.

Given her experiences, what’s the most important leadership lesson Anna would pass along to emerging leaders? “Being a role model is absolutely key,” she says. “It’s something I’ve held very close to me throughout my career, whether it’s on the selling floor or in the executive office. People who model the behaviors that are crucial to business success inspire others.”

## **The Five Practices of Exemplary Leadership®**

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In undertaking their leadership challenges, Brian and Anna seized the opportunity to change business as usual. And while their stories are exceptional, they are not unlike countless others. We’ve been conducting original global research for over thirty years, and we’ve discovered that such achievements are commonplace. When we ask leaders to tell us about their Personal-Best Leadership Experiences—experiences that they believe are their individual standards of excellence—there are thousands of success stories just like Brian’s and Anna’s. We’ve found them in profit-based firms and nonprofits, agriculture and mining, manufacturing and utilities, banking and healthcare, government and education, and the arts and community service. These leaders are

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employees and volunteers, young and old, women and men. Leadership knows no racial or religious bounds, no ethnic or cultural borders. Leaders reside in every city and every country, in every function and every organization. We find exemplary leadership everywhere we look. We've also found that in excellent organizations, everyone, regardless of title or position, is encouraged to act like a leader. In these places, people don't just believe that everyone can make a difference; they act in ways to develop and grow people's talents, including their leadership. They don't subscribe to the many myths that keep people from developing their leadership capabilities and organizations from creating leadership cultures.<sup>4</sup>

One of the greatest myths about leadership is that some people have "it" and some don't. A corollary myth is that if you don't have "it," then you can't learn "it." Neither could be further from the empirical truth. After reflecting on their Personal-Best Leadership Experiences, people come to the same conclusion as Tanvi Lotwala, revenue accountant at Bloom Energy: "All of us are born leaders. We all have leadership qualities ingrained. All that we need is polishing them up and bringing them to the forefront. It is an ongoing process to develop ourselves as a leader, but unless we take on the leadership challenges presented to us on a daily basis, we cannot become better at it."

We first asked people in the early 1980s to tell us what they did when they were at their "personal best" in leading others, and we continue to ask this question of people around the world. After analyzing thousands of these leadership experiences, we discovered, and continue to find, that regardless of the times or settings, individuals who guide others along pioneering journeys follow surprisingly similar paths. Although each experience was unique in its individual expression, there were clearly identifiable behaviors and actions that made a difference. When making extraordinary things happen in organizations, leaders engage in what we call The Five Practices of Exemplary Leadership®:

- ▶ Model the Way
- ▶ Inspire a Shared Vision