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MARK VICTOR HANSEN  
Co-creator, *Chicken Soup for the Soul*®

# Leadership Lessons

What You Can Learn  
*from*  
J.R.R. Tolkien's  
Classic Works



JOE TYE

Neither the Tolkien estate nor the Tolkien family has endorsed,  
approved or is associated in any way with this book.

# LEADERSHIP LESSONS

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J.R.R. TOLKIEN'S CLASSIC WORKS

JOE TYE

E-BOOK EDITION

**Praise for *Leadership Lessons, What You Can Learn  
From J.R.R. Tolkien's Classic Works***

“*Leadership Lessons* is filled with creative and useful strategies for building a great team and for delivering outstanding customer service.”

J.W. Marriott, Jr., Chairman and CEO, Marriott International, Inc.

“What the world desperately needs at all levels is visionary leadership. Joe brilliantly uses mythology to get us to be real leaders that make a difference.”

Mark Victor Hansen, Co-creator, #1 New York Times best-selling series *Chicken Soup for the Soul*®

“Whether you are a long-time Tolkien fan or just now learning about *The Lord of the Rings*, Joe Tye’s book *Leadership Lessons* will give you a new and deeper appreciation for the genius of J.R.R. Tolkien. Reading this book has given me lots of ideas for enhancing our Barrowdowns.com website; it has also given me some very useful strategies for being more effective as a leader and as a father.”

Ron Kittle, Webmaster for Barrowdowns.com

“The leadership lessons of J.R.R. Tolkien's Middle-earth have never been more applicable than they are in today's real world of global competition, roller-coaster financial markets, and rapid change on virtually every front. *Leadership Lessons* shows how to profit from these trends, and is destined to be a classic.”

Raymond Aaron, President, The Raymond Aaron Group (Canada)

“*Leadership Lessons* explores the importance of teamwork, trust, commitment and dedication to people. Whether you're applying

these life lessons to work, home or your community, they are a joy to read.”

Jack M. Greenberg, former Chairman and CEO, McDonald's Corporation

“In his new book, *Leadership Lessons*, Joe Tye provides a wealth of practical insights on what it takes to be a successful leader. By drawing on the wisdom of J.R.R. Tolkien's classics, Tye has written a solid book with an interesting twist that works!”

Millard Fuller, Founder and President, Habitat for Humanity Int'l.

“This book is jam-packed with innovative and powerful strategies for being a more effective leader at work, at home, and in your community. Read it and enjoy your leadership journey.”

Dr. John C. Maxwell, Founder, The Injoy Group and author of *The 21 Irrefutable Laws of Leadership*

“Just when you thought there was nothing new to be said about the subject, along comes Joe Tye’s brilliantly creative – and uncommonly practical – guide to effective leadership. It will inspire your entire team to do the right things.”

James O’Toole, Center for Effective Organizations and author of *Leadership A to Z: A Guide for the Appropriately Ambitious*

“12 Rings is one of the most insightful, enjoyable books on leadership I’ve ever read. Thank you Joe for bringing Tolkien back into focus.”

Thomas Winninger, Global Strategist and author, Winninger Institute for Market Strategy

“Fans of J.R.R. Tolkien will be intrigued by the leadership lessons that Joe Tye has drawn from *The Hobbit* and *The Lord of the Rings*.”

Al Kaltman, Author, *The Genius of Robert E. Lee*, and *Cigars, Whiskey and Winning: Leadership Lessons from General Ulysses S. Grant*

“I’ll pay Joe Tye’s *Leadership Lessons, What You Can Learn From J.R.R. Tolkien’s Classic Works* my highest compliment. I’m going to steal from it shamelessly in the book I’m about to start work on. Great stuff!”

Steven Pressfield, Author, *Gates of Fire* and *Tides of War*

“Practical, profound and highly entertaining. What more could you ask of a book on leadership? Every leader – whether in the living room or the boardroom – could benefit from the rich wisdom of Joe Tye’s *Leadership Lessons*. Highly recommended.”

Gay Hendricks, Ph.D., co-author of *The Corporate Mystic*

“This book is filled with ‘nuggets of wisdom’ that will make you think about what’s important in your business and your life. I loved it!”

Mac Anderson, Founder and Chairman, Successories, Inc.

“*Leadership Lessons* is an ingenious application of mythical wisdom to modern-day situations. Anyone interested in learning more about the nuts and bolts of leadership and teambuilding strategies should read this book.”

Larry Dossey, M.D., Author, *Healing Beyond the Body* and *Healing Words*

“This most imaginative, perceptive and practical interpretation of J.R.R. Tolkien is an important leadership book – worth not only reading but study and reflection.”

Gen. Gordon R. Sullivan, United States Army (Ret.), President, Association of the U.S. Army and co-author of *Hope is not a Method*

“Joe Tye has written an engaging book that weaves together classic literature and the best current management thinking along with his own considerable experiences. You’ll find yourself dog-earing pages to share with colleagues.”

Sam Hill, President, Helios Consulting Group and co-author of *Radical Marketing*

“Joe Tye has captured the essence of leadership in a truly unique and memorable way. Like the works of Tolkien on which it is based, *Leadership Lessons* was meant to be enjoyed more than once. More importantly, the profound lessons it contains are meant to be *practiced* more than once.”

Eric Harvey, Noted consultant, speaker, and author of the *Walk the Talk* book series

Joe Tye has written another great book! *Leadership Lessons* is unique, interesting, and fun to read. I highly recommend it to anyone who wants to be a better leader.

Ivan R. Misner, Ph.D., Founder & CEO, BNI (Business Network International), and Co-author, *Masters of Networking*

For Mom and Dad . . .

. . . who taught me that leadership begins at home,  
that the finest human endeavors are putting love  
into your own art and doing what you can to help  
others put love into theirs, and that while your  
children may not always listen to what you say,  
they are forever molded by your example.

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## INTRODUCTION

*Fictional characters have more freedom to be real than real people do, because they don't need to please or impress anybody and they don't need to worry about meeting deadlines or paying bills. Their entire existence can be distilled to the essence of their key role in the story. That's what makes them such valuable models for learning, and why Gandalf was the greatest leader who never lived.*

J.R.R. Tolkien was a profoundly gifted storyteller. His classic tales and the characters who inhabit them have such a powerful ring of truth and authenticity that by the end, the reader feels more like he or she has read a historical documentary instead of a work of fantasy. Tolkien also had an intuitive understanding of the theories and practice of leadership that was well ahead of its time and far beyond what would be expected from a professor who specialized in arcane languages.

A business school professor who was sufficiently creative to seek an alternative to the conventional nonfiction textbooks on leadership would find *The Hobbit* and *The Lord of the Rings* invaluable for four reasons. First, Tolkien's characters represent archetypes of virtually every major leadership style that has been practiced over the past fifty years, and because they are fictional characters unencumbered by the diversions and conflicts that dilute the purity of real-world examples, they offer powerfully compelling case studies.

Second, Tolkien's characters presaged the most popular and effective leadership strategies of our age, including:

**Management by Walking Around (MBWA):** In the real world, MBWA was pioneered at Hewlett Packard and popularized in the 1983 book *In Search of Excellence* by Tom Peters and Bob Waterman. Even the most avid MBWA practitioner could learn from and be inspired by the travels of Aragorn in his guise as Strider the Ranger, who often placed himself in danger in the service of people who were neither aware of nor grateful for his troubles.

**Management by Objectives:** Gandalf the wizard maintained a strong focus on his ultimate objectives, but he did something more that could benefit leaders of any organization: he created a collective belief that achievement of those objectives was inevitable by cultivating a powerful sense of destiny.

**Networking:** Harvey Mackay, Ivan Misner, Susan RoAne and others have popularized the importance of networking for professional success, especially at the leadership level. Gandalf was a consummate networker who mastered the arts of planting seeds, doing favors, making introductions, asking for help, and building alliances.

**Cultural Diversity:** Long before the term became popular, Tolkien understood that cultural diversity was important – not just for equality, but for effectiveness. Anyone seeking to build a cross-cultural or racially diverse team could learn much by studying the evolution of The Fellowship of the Ring, and the process by which a wizard, four hobbits, two men, a dwarf and an elf overcame their historic mistrust of one another and forged a high-performance team, then went beyond diversity to create fellowship and community.

**Servant Leadership:** The most effective leaders first and foremost see themselves as servants. Sam Gamgee wanted nothing more than to serve Frodo. Time and again, he sacrificed his own comfort and security and endangered his very life on behalf of

Frodo and their mutual Quest. Sam was not motivated by the hope for personal gain or glory, but his selfless devotion to service earned him an exalted place as one of the most honored of hobbits.

**Empowerment:** During the 1990s, bookstores sold tens of millions of books on the subject of empowerment. However, neither history nor fiction offers a better role model of an empowering leader than Gandalf the wizard. Gandalf's greatest accomplishments – slaying of Smaug and the restoration of the dwarves' kingdom under the mountain, the destruction of the evil Ring of Power, the defense of Gondor against the armies of Sauron and the coronation of Aragorn – were achieved by those he had selected, prepared and empowered for the tasks, and often with little direct involvement on his part.

**Transforming Leadership:** In his Pulitzer Prize-winning book *Leadership*, James MacGregor Burns described transforming leadership as a relationship between leaders and followers in which both are raised to a higher plane of moral values and self expectations. Gandalf's work, which transformed simple and ordinary hobbits into valiant warriors, pillars of integrity and visionary leaders in their own rights, is a virtual clinic on transforming leadership.

The third reason why *The Hobbit* and *The Lord of the Rings* would be invaluable to our hypothetical business school professor is because they offer many lessons for the team-building process. The methods by which Bilbo and the thirteen dwarves (in *The Hobbit*) and the nine members of the Fellowship of the Ring (in *The Lord of the Rings*) became effective teams are case studies on building and motivating high-performance teams.

Finally, our professor would find these books invaluable because students would actually do their homework, since the reading would be on only educational, but also fun and entertaining!

### **What I Learned From Tolkien**

I have no idea how many times I've read *The Hobbit* and *The Lord of the Rings*, but three readings were particularly influential in my life. The first was when I was working in a rather tyrannical environment, and found myself thinking that someone should write a book about the leadership styles and strategies portrayed in Tolkien's fiction.

The second time was when I was in a period of career transition and struggling to find a renewed sense of purpose and meaning. I found myself wishing I could stop framing my life in terms of job and career, and instead venture forth on an adventure that was so life-changing for the hobbits. Because nobody had yet written the book, I started making notes in my journal for a book about "Tolkien on Leadership."

The third reading of Tolkien that had a major impact on my life was when I was working on the curriculum for my leadership seminar program, and it struck me how much the philosophy and practice upon which this program was based had been anticipated by Tolkien. That was the impetus for LEADERSHIP LESSONS *What You Can Learn from J.R.R. Tolkien's Classic Works*.

This book is organized into twelve chapters representing the twelve overall Lessons of Leadership I've drawn from the Tolkien classics. For each leadership lesson I have chosen a real-world leader who best exemplifies the quality being stressed. Each chapter is broken down into specific lessons based on Tolkien's stories. To demonstrate these lessons in action, I have taken examples from real life – some from my own experience, others from my readings. Leadership can come in many shapes and forms.

The 12 Leadership Lessons capture the most important virtues that any individual must cultivate in order to be an effective leader. They also reflect the qualities that should be ingrained in any organization's culture in order for it to be provider of choice in its markets and employer of choice in its community. In the past, organizations succeeded to the extent that they created value for their customers, shareholders and employees. In the years to come, value creation will continue to be a prerequisite for success, but it will not be sufficient. To successfully compete for talented people and loyal customers, organizations will also need to stand for values.

I am willing to bet that no matter who you are, these 12 Leadership Lessons compose a comprehensive picture of the type of person you aspire to be. In her book *Jesus CEO*, Laurie Beth Jones writes:

If people could understand their core values, they would save years of doubt, confusion, and misplaced energy as they try to find direction for their lives.

Just as Gandalf instilled values that provided direction for Bilbo, Frodo and many others, the strategies for adapting and applying the 12 Leadership Lessons can help you find meaningful direction for your life.

I am also willing to bet that no matter where you work, the 12 Leadership Lessons represent the type of culture and philosophy with which you would be proud to be identified. In fact, one of the key benefits I hope to achieve with this book is to help create a bridge between your personal sense of purpose and meaning and the mission, vision and values of the organization of which you are a member.

J.R.R. Tolkien created a story and a cast of characters that vividly illustrate how the 12 Leadership Lessons can work for you and your organization. To the extent that you internalize these values yourself, you will become a more effective leader; to the extent that you help your people

internalize them, you will build a stronger and more effective team.

Real leadership is not a box on the organization chart; it is an attitude, a way of life. Management is something you do; being a leader is who you are. When Gandalf first introduced Bilbo to the dwarves in *The Hobbit*, he told them that there was more to the little hobbit than they might guess, and a great deal more than Bilbo himself suspected. I'm pretty sure that if Gandalf were to meet you today, he would say the same thing about you.

There is a lot more to you than you might think right now. I hope that reading this book will help you realize your enormous potential. In the pages that follow, I will use the leaders from J.R.R. Tolkien's classics of modern myth to show you practical action strategies for being a more successful leader at work, a more effective contributor to your community and a more nurturing parent and spouse at home.

## LESSON

## 1

**AUTHENTICITY**

*At first, Bilbo resisted Gandalf's offer of adventure, but, in the end, the mission gave his life a sense of purpose he would never have known had he stayed safe and comfortable in his little hobbit hole in the Shire.*

People become leaders not because they aspire to leadership, but because they aspire to authenticity. For real leaders, wealth, status and reputation are not goals to be pursued for their own sake; instead, they are by-products of a successful quest for authenticity – for becoming the persons they were meant to be. Aragorn was born to be king as the heir of Elendil, but he was meant to be king only as a result of the struggle and self-sacrifice he endured in his role as Strider the Ranger. Like other great leaders, Aragorn did not ask to be a leader to satisfy his own ambition; rather, he attracted followers because he was authentic.

## A LEADER FOR AUTHENTICITY

### Herb Kelleher

**G**andalf never pretended to be somebody he was not, never pursued inauthentic ambitions for personal glory, wealth or power. His authenticity was key to helping those in his charge become their own authentic best selves, in the process laying the foundation for the next age of Middle-earth.

Herb Kelleher, Chairman of Southwest Airlines, is a real-world leader in the same mold as Gandalf. When asked for the secret of building a successful organization, Kelleher says he can answer in two words: *Be yourself*. This is, he says, a simple yet profoundly difficult goal. “It means spending less time benchmarking best practices and more time building an organization in which personality counts as much as quality and reliability.”

Kelleher and the leadership team at Southwest Airlines have adopted a number of practices to promote authenticity. First, their “hire for attitude, train for skill” philosophy, coupled with broad-based participation in the interview process for all new employees, assures that they hire only people who will be a good fit for the organization.

Second, the company makes job security a top priority. People who are not chronically worried about losing their jobs are less likely to be what Kelleher calls “corporate clones,” and more likely to be their authentic, fun-loving selves on the job.

Third, the company has created an environment that seeks to liberate people, not control them. One key to the company’s success has been top-to-bottom buy-in to company goals, and participation in creative approaches for meeting those goals.

Fourth, the company has done an excellent job of imbuing work with transcendent meaning: At Southwest Airlines, it’s not a job, it’s a crusade. Whether it’s bringing the warrior spirit to beating competitors, or a loving spirit to supporting the Ronald McDonald House, working at Southwest means more than just a job and a paycheck. Finally, the company honors the fact that

work is emotional. It has created a family environment in which you're more likely to see hugs than handshakes, and virtually any excuse will suffice to stage a celebration.

Culture is to the organization what character and attitude are to the individual. An authentic corporate culture can be a powerful and sustainable source of competitive advantage. Although Southwest Airlines is the seventh largest air carrier in the United States, as of this writing its stock market capitalization exceeds that of the first six put together. As much as anything, Wall Street is giving a monetary value to Southwest's authentic culture. Ironically, Southwest is less likely than virtually any other company in America to violate its authenticity by dancing to the Wall street piper (for example, by using layoffs to boost quarterly profits).

### **KNOW YOURSELF**

*Know thyself.* This, said Socrates, is the height of wisdom. Boromir was a valiant warrior and a mighty captain of men, but he was overcome by lust for the Ring and its power. Boromir's lack of self-awareness, and his consequent attempt to steal the Ring from Frodo, led to his own death and gravely imperiled the Quest to save Middle-earth. Frodo's hobbit companion, Sam Gamgee, carried the burden of the Ring for a while after his master fell victim to the sting of Shelob, the giant spider. Fortunately, Sam realized that he did not have the power to command the Ring, and that what he really wanted from life was a garden to tend, not a kingdom to rule.

In *Growing a Business*, Paul Hawken wrote, "Being in business is not about making money. It is a way to become who you are." That gets to the heart of the questions any leader or would-be leader must ask if he or she is to be truly effective:

- Who am I?
- Who do I want to be?
- Who am I meant to be?

In the process of pursuing authentic goals and of becoming the kind of person you really want to be, you'll gravitate toward positions of leadership and pull followers along in your wake. If your work as a leader moves you closer to being the authentic, meant-to-be "you," as it did for Sam, then you will ultimately be successful. If, on the other hand, you are pursuing leadership for self-aggrandizement and self-enrichment, you are setting yourself up for failure just as surely as Boromir did.

Time spent enhancing your self-awareness by writing in a journal, reflecting quietly, and dreaming, visualizing and goal-setting is a valuable investment in achieving authentic success.

### **FOLLOW YOUR STRENGTHS**

Gandalf might have made a fine king himself, but he knew that his real strength was as a counselor to kings. Even in those times when he needed to step in and take direct command, he was quick to relinquish authority as soon as the situation permitted. Because he was pursuing his natural strengths, Gandalf did his work with energy and passion, even when the work itself was dangerous or dreary.

In *Failing Forward*, John C. Maxwell wrote about John James Audubon, who "was unsuccessful for most of his life . . . He was a terrible businessman, and he didn't belong in trade. It didn't matter how many times he changed locations, partners or business types. Not until he understood and changed himself did he have a chance of success."

What changes did Audubon make? He decided to follow his strengths and his passion. He had always loved the outdoors, and he was an excellent hunter. Moreover, he was a talented artist who especially loved drawing birds. When he finally stopped trying to be a businessman and let himself do what he loved and was good at, his life started to turn around. He traveled the land collecting and drawing bird specimens, which were ultimately featured in a book of one hundred color plates called *Birds of America*. The book made him rich and famous, and secured his place in history.

Successful leaders in all walks of life acquire authenticity by building on their strengths, not by getting mired in dealing with their shortcomings.

### **SEEK A GENUINE FIT**

As talented as Aragorn was, he knew better than to try to turn himself into a wizard, just as Gandalf knew better than to bend his own formidable talents toward seeking a kingship. Unfortunately, many people strive to force-fit themselves into jobs they really aren't cut out to do, often because they think the pay is better and the status is higher than would be the case if they pursued work for which they were more temperamentally suited.

As Pierce and Jane Howard point out in their book *The Owner's Manual to Personality at Work*, your ability to be successful as a leader depends to a large degree upon how well you know your own personality traits. There are many different approaches to analyzing personality type; chances are you've already taken a test that assesses your own traits. And there are steps that can be taken to change those characteristics – at least at the margins – to help you be more effective in your work. For example, someone who is introverted can join Toastmasters to build self-confidence in public settings.

Equally important, however, is that you recognize what cannot be changed, and that you honor who you really are in your choice of work. According to the Howards, “The highest form of motivation occurs when we are pursuing a life that's consistent with the way we're put together. When we attempt to be something we're not, that's demotivating.”

Your effectiveness as a leader will be greatly enhanced by pursuing work that is consistent with who you are, and by working in a place where your unique personality is a good match with that organization's culture.

### **MASTER YOURSELF**

When Frodo and his companions were finally reunited with Bilbo in the elf haven at Rivendell, they found a hobbit at peace with himself and with the world. He no longer felt the need to impress other people or to worry about what they thought of him; worldly possessions had no control over him; he had learned to ride herd on such negative emotions as fear, greed and envy; and his ambition to write songs and chronicle his adventures sprung from love of the work itself, not from an expectation of reward.

Millard Fuller was a high-flying entrepreneur who had the world by the tail. Then one day he came home from a business trip and found a note from his wife, Linda, saying she'd left him. The money and recognition he'd been so successfully chasing, she said, had taken them far from their Christian values, and the price had become too high.

It was a cosmic wake-up call for Fuller, and the world is a better place today because he heeded it. He gave up the money, the prestige and the other trappings of "success" and devoted his time to reconnecting with his family and with the values they held so dear. Millard and Linda went on to found Habitat for Humanity, an organization that to date has built more than 100,000 homes for needy people around the world.

Fuller's first step was an act of self-mastery. He had to get his ego out of the way and transcend or redirect the ambitions that had made him so successful as an entrepreneur. Because he was able to do that, he became a leader of international stature, made a huge contribution toward alleviating the problems of the poor and needy, and, like Bilbo, achieved the sort of personal fulfillment and spiritual peace that simply cannot be bought.

### **KEEP YOUR EGO OUT OF THE WAY**

One of the traits that made Gandalf and Aragorn such effective leaders was their egolessness. Their decisions and actions were based on what was needed for goal achievement, not ego gratification.

Military history is filled with generals who were brought low by their own egocentricity. From Alcibiades to Napoleon to MacArthur, commanders who were excessively concerned for themselves and other people's opinions of them ended their career in ignominy. More rare, but usually more effective, were commanders whose authenticity shone through in modesty and humility – men like George Washington, Ulysses S. Grant and Dwight D. Eisenhower.

- During the Revolutionary War, Washington refused every entreaty that he become king or assume dictatorial power; after his second term as president, he set aside the reins of power and quietly retreated from public life.
- Grant wore the uniform of an ordinary foot soldier; he once evacuated his own headquarters so the building could be used to house wounded soldiers.
- Eisenhower would tolerate no pettiness in his efforts to hold together the allied coalition; he went out of his way to deflect public recognition from himself to generals with more needy egos, such as George Patton and Bernard Montgomery.

None of these three men pursued power and glory for their own gratification; rather, power and glory came to them because they were authentic. And it is no coincidence that Washington, Grant and Eisenhower were each called upon by their country to serve two terms as president upon completion of military service

### **BELIEVE IN YOURSELF**

When Gandalf gave Aragorn the palantir for safekeeping, he warned him against using it. But Aragorn had sufficient belief in himself to use the magical seeing-stone to plant fresh fears in Sauron's mind, causing the dark lord to make the fatal mistake of attacking prematurely. Scrutinize any success story and you will find at least one point at which the leader's self-belief or belief in the mission was sorely tested, but that belief prevailed.

“If you can dream it, you can do it,” said Walt Disney. Personal development guru Napoleon Hill added a critical

dimension when he said that what the mind can conceive *and believe* can be achieved. A leader must first and foremost believe in himself or herself, and in the mission that has been set before the team. The power of belief carried Frodo and Sam into Mordor, led the army of Ents to triumph over Saruman and propelled Gandalf and Aragorn to ultimate victory over Sauron.

In 1974 it appeared that Fred Smith's dream of building Federal Express was about to crash and burn. He had exhausted his savings, was deep in debt, in trouble with the bank and on thin ice with his board of directors. Smith's belief in himself and in his dream was probably the only thing that saved the company during those difficult early days. Smith's belief also helped to define Fed Ex's indomitable corporate culture. Art Bass, who served as the company's president from 1975 to 1980, said, "This company should have died five or six times in its first three or four years, but Fred refused to give up . . . With sheer [will] and courage he pulled off a miracle." (Quoted in *Absolutely Positively Overnight* by Robert A. Sigafos.)

Smith himself had said, "I just knew [the idea] was correct, but there were only a few believers at first. The overwhelming body of opinion said it wouldn't work." Those same words might well have been spoken by Mary Kay Ash of Mary Kay Cosmetics, Steve Jobs of Apple Computer, Herb Kelleher of Southwest Airlines, Millard Fuller of Habitat for Humanity or anyone else whose heart harbors a big dream.

Belief is the catalyst that nurtures the transformation of today's dream into tomorrow's reality. All things really are possible for one who truly believes.

### **BE TRUE TO YOURSELF**

Unlike his older brother Boromir, when Faramir had the opportunity to seize the Ring from Frodo, he declined. In being true to himself, he was also being true to the men he led and the kingdom he served. It takes discernment and wisdom to distinguish between authentic dreams and delusions of grandeur, but a true leader must be able to make that distinction.

*Authenticity* is the first of our 12 Leadership Lessons for the very good reason that it is the foundation upon which all else is built. As leadership expert Warren Bennis writes in his book *On Becoming a Leader*, leadership is first a matter of being, then doing. Bennis writes, “No leader sets out to be a leader. People set out to live their lives, expressing themselves fully. When that expression is of value, they become leaders.”

The best leaders don’t aspire to leadership for its own sake, but rather because they must lead others in order to achieve some higher end. Good leaders understand that being true to themselves can keep them on the right path, while the reverse can lead to disaster.

### **BE HONEST WITH YOURSELF**

After Boromir tried to take the Ring from him, it was clear to Frodo that the Ring was putting his friends in danger and he resolved to go on alone. Frodo easily could have rationalized away Boromir’s attack, and constructed arguments about why the team needed to hold together, but that would have been self-deception, and he rejected it. Frodo’s self-honesty, and his subsequent decision to leave his friends behind and strike out for Mordor alone, required great courage – and probably also saved Middle-earth.

When leaders deceive themselves, it can lead to serious, even devastating, consequences. Self-deception by both Hitler and Stalin led to gross errors and ghastly casualties on both sides of the eastern front during World War II. In the world of business, U.S. auto executives during the 1970s chose the path of self-deception regarding the threat of Japanese automobiles. This choice seriously damaged the domestic auto industry and cost thousands of jobs.

### **DIFFERENTIATE YOURSELF**

The characters in Tolkien’s mythological classics each created a unique and lasting impression on the reader. In terms of modern marketing parlance, you might say that each character was differentiated. There were no indistinguishable, interchangeable

members in the Fellowship of the Ring, as there often are among those inhabiting the cubicles of most large corporations. One of the best ways of achieving authenticity is to consciously differentiate yourself from everyone else by emphasizing the qualities that make you unique.

In *The Circle of Innovation*, Tom Peters writes about “the white collar revolution” that he predicts will eliminate many white-collar jobs and forever change the rest. He describes eight characteristics that will define the New American Professional – the white-collar worker who will successfully make the transition from the old managerial-bureaucratic business model to a new innovator-entrepreneur paradigm by differentiating himself or herself.

Sam Gamgee made a transition very like that called for by Peters. At the story’s beginning Sam is Frodo’s gardener, having followed in the footsteps of his father who had served Bilbo in the same capacity. But Sam grew in the eight characteristics that Peters says will define the New American Professional.

**Characteristic 1: *The job should be about more than a paycheck; it should be about meaning and caring and increasing human potential.*** Sam the gardener had a job; Sam the Ring-Fellow was on a mission. He joined the Quest out of simple love for Frodo, but by the time they reached Mordor, he had taken full ownership for their success, and on many occasions assumed leadership.

**Characteristic 2: *Be very good at a special competency.*** In his later years, Tolkien said that Sam was like the army quartermasters he’d met while serving during World War I: They were people who got things done. Sam’s practical skills with ropes, animals, cooking and, yes, gardening were essential to the success of the Ring-Bearer’s Quest.

**Characteristic 3: *Think of yourself as a unique brand.*** Sam did not consciously set out to create a particular identity, but by the end of the story it is very clear that he has indeed cultivated a distinct and immediately

recognizable one as Sam – the commonsensical, ever reliable, absolutely loyal to-to guy.

**Characteristic 4: *Develop your skills and reputation through your projects.*** Sam shared with Frodo the ultimate “project” of destroying the Ring of Power, but along the way this required completion of many smaller “projects.” He handled each intermediate project with the same selfless commitment, thereby laying the foundation for ultimate success.

**Characteristic 5: *Be client-obsessed.*** Sam’s client was Frodo, and no client could ever hope for a more devoted and loving servant. And through a paradox at least as old as the Bible, by always putting his “client” first, Sam earned his own place as first among the hobbits.

**Characteristic 6: *Network like crazy.*** Sam was a bit of a homebody; nevertheless, during the Quest he greatly expanded his circle of contacts. By story’s end, the shy little hobbit gardener had a large number of connections that even networking advocate Harvey Mackay would have recognized and endorsed.

**Characteristic 7: *Be self-reliant.*** There were many times when Sam felt overwhelmed, such as while waiting to be engulfed by the fires of Mount Doom after the Ring had been destroyed. But he never lost hope, reflecting Tom Peters’ philosophy that “you’re only powerless if you think you are.” Sam’s optimism and self-reliance transformed apparent failure into stunning success.

**Characteristic 8: *Be willing to stick your neck out.*** Sam, the quiet homebody gardener, could be the quintessential risk-taker when the need was great. Though he claimed no desire to be a warrior, when Frodo’s life was threatened, Sam’s ferocious courage saved the day. Had he not stuck his neck out, both he and Frodo would very likely have perished.

Perhaps Sam Gamgee blazed a trail for the “New Middle-earth Professional.” In any event, he is a powerful role model for many old American professionals striving to make it in the new world economy.

### **KNOW WHEN YOU KNOW THAT YOU JUST KNOW**

Gandalf *just knew* there was something unusual, something dangerous, about the Ring that Bilbo had picked up in Gollum’s cave. As a wizard, he came across many magical baubles such as this Ring, which made its wearer invisible, but his intuition told him that there was more to this particular Ring. He spent many years studying ancient manuscripts in the archives of Gondor, tracking Gollum and otherwise seeking to learn the truth about what did indeed turn out to be the One Ring of Power.

Leaders need to develop a fine sense of intuition and know when to trust that sense even if it runs counter to supposed evidence from the real world.

- Fred Smith *just knew* there was a market for overnight delivery of small packages – even when his Yale business professor threw cold water on the idea – and went on to found Federal Express.
- Bill McGowan *just knew* the AT&T telephone monopoly could be broken, and kept his infant MCI corporation alive during the darkest early days when even the company’s copy machines were repossessed.
- Alex Haley *just knew* he could be a successful writer when he was flat broke and scratching out stories in a tiny apartment in the years before *Roots* became an international best-seller.
- Mark Thatcher *just knew* the sport sandal he had invented was a winner as he fought his way through cash flow problems, copycat infringements on his patented designs and other obstacles en route to establishing Teva as the world’s preeminent footgear for outdoor activities.

In developing their authenticity, leaders learn to recognize the power of their intuition. The trick is to open yourself up, to allow your intuition to prevail and not block it off for fear of failure.

### **BE A CARING LEADER**

To Saruman and Sauron, leadership meant ruling over people; to Gandalf and Aragorn, leadership meant caring for people. That, unfortunately, is advice infrequently taken by people whose primary leadership styles are intimidation and manipulation, and who see people primarily as expenses rather than assets.

Gandalf's commitment to caring was the essence of his authenticity. Perhaps no American business leader exemplifies Gandalf's caring spirit more completely than Herb Kelleher, CEO of Southwest Airlines. To Kelleher, caring is not a passive thing; it is a way of life that is expressed by one's commitments and actions. Kelleher believes that one of his most important responsibilities as CEO is "making our people's jobs secure and prosperous."

Kelleher's loyalty and caring has paid off in a big way for the people who work for Southwest, the passengers they serve and the company's investors. According to Kevin and Jackie Freiberg, authors of the book *Nuts!: Southwest Airlines' Crazy Recipe for Personal and Business Success*, Southwest has been the only profitable U.S. airline every year since 1973, and it earns the highest margins in the industry. Further, its stock has outperformed industry averages by a wide margin, it offers the lowest fares in every market it serves, it has the most productive and loyal workforce of any airline and it consistently earns the highest rating for customer satisfaction, on-time flight completion and safety.

When Aragorn offered to be the hobbits' guide on their dangerous quest, he promised them that he would put his life on the line to protect their lives. He never stepped back from that promise – not once. In return, he earned their undying loyalty, and his example reinforced the hobbits' own "life or death" commitment to one another. How many employees of American corporations really feel that their bosses would go to the mat for them? Like Gandalf and Aragorn, Herb Kelleher has created a

legacy of caring that will continue to define and differentiate Southwest Airlines long after he has passed on the torch of leadership to someone else.

### **LISTEN WITHOUT EGO DISTORTION**

Galadriel was a Lady of enormous power, but like Gandalf (and unlike Sauron and Saruman), she used it sparingly and never boasted of it. Her ability to transcend her own ego and self-interest made Galadriel one of the most authentic and beloved of all creatures in Middle-earth.

Mary Sue Coleman is a former President of the University of Iowa (she is now in a similar role at the University of Michigan). In this role, she oversaw a large academic institution, a Big Ten athletic program and a major medical center. She needed to deal with the state legislature, student government, city administration, major donors, and the business community.

Can you imagine dealing with all those egos? When I asked her for the secret of her success, Coleman told me that the best way to defuse opposition is to listen to, thoroughly understand and empathize with opposing positions. When people know that you care deeply, and that you will really listen to the opinions of others before you make up your own mind, they are more likely to accept decisions that might run counter to their own wishes.

### **CONTROL YOUR ANXIETY**

King Theoden of Rohan was overcome by anxiety, old and incapacitated before his time, and thus a virtual prisoner in his own palace. Under the influence of Saruman's spy Wormtongue, the king's fears painted for him a false picture of a world far more dangerous than it really was. As he slumped ever lower into his throne, the once-great king was the very picture of pathetic non-authenticity.

Gimli the dwarf became convinced that he and his companions – Aragorn and Legolas – were being stalked by

Saruman. When he saw an old man in wizard's garb approaching them through the woods, he implored Legolas to quickly kill the codger before he could cast a spell on them. Fortunately, Legolas held his arrow. The old man turned out to be Gandalf. In his panic, Gimli, the ordinarily courageous and compassionate dwarf, painted another picture of non-authenticity.

Theoden was paralyzed by his anxiety; Gimli was panicked by his. In his study *On the Psychology of Military Incompetence*, Norman Dixon explored the differences between capable and inept military commanders. The primary distinction was this: Competent commanders were able to manage their anxiety; incompetent commanders were driven by their anxiety into either paralysis or panic.

One who would presume to lead others has an obligation to understand the sources of his or her own anxiety, to be on the alert for that anxiety being transformed into unwarranted fear and to learn how to manage that anxiety so it will not lead to either paralysis or panic. Introspection, self-awareness and reality-checking are important tools in this process. Whatever it takes, the leader must master anxiety so as to remain authentic when the pressure is on.

### **RECOGNIZE YOUR DARK SIDE**

When Frodo learned the terrible truth about the Ring bequeathed to him by Bilbo, and that it had to be destroyed by being thrown into the fires of Mount Doom, he was terribly frightened. He asked Gandalf to take the Ring instead. Gandalf was quick and adamant in his refusal. The Ring would give him too great a power, he said, and eventually would gain power over him. Even if he took the Ring with the best of intentions to keep it safe and never use it, Gandalf knew he would be overcome, and eventually undone, by his desire to wield it for good on behalf of the powerless.

Authenticity requires total self-awareness – not just of the good and beautiful in one's self, but also of the dark and ugly. Through his failure to recognize the dark side of his own lust for power and glory, Boromir brought about his own destruction. Self-awareness shines a light into those dark corners of the soul that,

left unguarded, can bring down even the most strong-willed and well-intentioned of people. The dark side can actually be transmuted into a source of strength and insight. Gandalf's appreciation for his own susceptibility to temptation gave him empathy and compassion for weakness in others.

You can no more escape your inner shadow than you can run away from the shadow cast by the sun. But it is possible, indeed, it is essential, that you recognize and understand your dark side, and be prepared to counteract it when it threatens to induce you to follow dark paths and to act in dark ways. In fact, as John R. O'Neil, President of the California School of Professional Psychology, points out in *The Paradox of Success: A Book of Renewal for Leaders*, when you refuse to acknowledge your own dark side, you are turning your back on facets of yourself that could someday be cultivated into great strengths.

### **AUTHENTICITY ENTAILS PERIODIC SELF-REINVENTION**

Bilbo passed through several major transformations – from simple hobbit to adventurous warrior to respected leader in *The Hobbit* and, finally, to scholar and poet when he appeared in *The Lord of the Rings*.

In his writings on leadership, Warren Bennis strongly emphasizes that self-reinvention is an essential task for the leader. One excellent example of this is Howard Schultz, founder of Starbucks. In his book *Pour Your Heart Into It* (written with Dori Jones Yang) Schultz describes how he has had to reinvent himself as his company has grown:

- Starting as an enthusiastic young dreamer trying to raise money to turn his business plan into a real business;
- Becoming the entrepreneur moving a hundred miles an hour trying to build that business;
- Then transforming himself into a manager working to build the teams and the systems needed to direct an enterprise grown beyond the oversight capacity of one individual;

- Finally, needing to transform again into a leader more concerned with communicating values and vision than with overseeing daily operation.

These transformations were essential – and had Schultz not made them, Starbucks would not have achieved its phenomenal record of success – but they did not feel natural or come easily. Schultz is at heart a dreamer and an entrepreneur, and at first he actually resisted the need to reinvent himself as a manager. But in forcing himself to learn and grow, he became more authentic and evolved into the type of leader required by a large international corporation.

It is also important to note that Schultz did not abandon the previous elements of his authenticity. He is still a dreamer and an entrepreneur. He has built new skills, and added a new dimension of complexity, upon this foundation. That is ultimately what self-reinvention is all about.

### **THE PARADOX OF AUTHENTICITY**

Sam Gamagee was terrified beyond reason as he charged after the orcs who had taken Frodo into Mordor. Those orcs might have laughed to learn that what they had mistaken for a mighty elf warrior was a scared little hobbit acting a part far beyond his own power. In order to achieve your greatest dreams and become the person you are capable of being, you must go through a period of trial and transition where you are acting in a role that to you feels quite beyond your capabilities. In other words, to become truly authentic, you must serve a temporary apprenticeship in non-authenticity.

Muhammad Ali told the world he was “the greatest” long before he earned the title. In fact, he started saying it even before he believed it to be true. Who was the first person he had to convince? He had to convince himself by acting the part. That being accomplished, the rest is history. Sam the terrified little hobbit intuitively grasped this secret as he brandished his sword before the orc warriors who had taken his master. It’s a secret that you must learn – to play the part before it will be granted to you.

### **YOU CAN'T BUY AUTHENTICITY**

Though he could have used his wisdom and wizardry to compile great wealth, as the evil wizard Saruman did, whatever treasure did come Gandalf's way he quickly devoted to the service of others. Most of what he himself owned he could carry on his back.

Two of the most successful investors of our age are Warren Buffet and John Marks Templeton. Neither man requires money or recognition for his own sense of authenticity or self-worth, though. Quite the contrary, both have remained modest in their expectations and humble in their outlook. In his book *Riches for the Mind and Spirit*, Templeton wrote: "Giving, happiness, prayer, and mind power are four building blocks in the foundation of a fulfilled existence on earth."

Notice that money does not make Templeton's list, and the things that do make his list, money cannot buy. Paradoxically, the best way to ultimately grow wealthy is to follow the path of people like Buffet and Templeton – to become authentic and to do your work for the joy of the work, not because you hope it will make you rich and famous.

## **THE 12 KEYS TO Authenticity**

1. Self-knowledge and self-awareness create the foundation of authenticity.
2. You become authentic by building on your strength, not by compensating for your weaknesses.
3. Self-mastery requires gaining control over your ego, emotions and ambition.
4. If you believe in yourself and in your purpose, you can achieve your greatest dreams and become the person you are meant to be.
5. To be an authentic leader to others, you must first learn to be true to yourself.
6. Differentiate yourself from the crowd by emphasizing the qualities and talents that make you special.
7. Commit yourself to your own high standards and expectations.
8. Learn to trust your instincts and your intuition.
9. Make your first priority caring for those in your charge.
10. To remain authentic when the pressure mounts, you must master anxiety and other negative emotions.
11. Accept your limitations and recognize your dark side.
12. Decide who you want to be and start acting the part until it feels natural, then graduate to a bigger part and start rehearsing.

## LESSON

## 2

## COURAGE

*Frodo asked Gildor where he would find courage, which is what he needed now more than anything. The elf leader replied that he would find it in the most unlikely places.*

Leaders must have a store of courage that is sufficient not only for themselves but for their followers as well. In today's turbulent and competitive world, courage is the *sine qua non* of both personal and professional success. Bilbo faced and overcame his toughest opponent – his own fear – alone in the tunnel, before he ever saw the dragon below. Bilbo's courage was a source of inspiration for the dwarves. And his courage in handing over the dwarves' precious Arkenstone to the besieging armies of men and elves was a crucial factor in the allied victory over the orcs in the Battle of Five Armies.

## A LEADER FOR COURAGE

### Walt Disney

Walt Disney is best loved and remembered for his incredible capacity for taking those fabulous dreams of his and transforming them into reality. But one of his most impressive virtues was his courage. “In fact,” write Bill Capodagli and Lynn Jackson in their book *The Disney Way*, “if literally there were a cornerstone upon which the Walt Disney Company rested, it would have to be inscribed with one short word: Dare. Throughout the 43 years that Walt ran the company, he dared to meet challenges, he dared to take risks, and ultimately, he dared to excel.”

Walt had the courage to dream big dreams, the kind of dreams that would intimidate most others, and then he had the courage to stand up to the naysayers and the dream-stealers who assured him that whatever it was he wanted to do could not possibly be done. He had the courage to ACT upon those dreams, even in the face of doubt – his own and that of others.

And he had the courage to stick to his guns when the going got tough, when it must have felt like he was standing there all alone. As one minor example that says a lot about the man, he never backed down on his insistence that Disneyland be immaculately maintained, from parking lots to cast members’ uniforms.

But Walt didn’t just dare to dream; he also understood that preparation is the soul of courage. As Bob Thomas wrote in *Building a Company*, his biography of Walt’s brother Roy, “Walt never entered any project without meticulous planning.” For every major project, he commissioned intensive feasibility studies, made detailed plans and models, and spent countless hours speaking with people to gather knowledge and gain support.

It’s easy to be courageous when times are good, and it’s easy to be courageous on the heels of success. It’s much harder to summon the courage to take audacious risks when the bank account is running on empty, and when you’re still dusting yourself off from the last magnificent fall. But that’s what Walt

did, time after time. He was never deterred by failure, and by daring most when to outside eyes things seemed darkest, he hit some of the most phenomenal home runs in the history of the entertainment business.

Finally, Walt knew that courage is a lot like love – it grows when it is shared, and it diminishes when it is hoarded. He went out of his way to encourage (en-courage – to give courage to) his designers to be as courageous and daring as he himself was. And then he tolerated the inevitable failures and celebrated the happy successes with them.

**FEAR IS A REACTION,  
COURAGE IS A DECISION**

Denethor, the last Steward of Gondor, died during the climactic battle to save his city from Sauron's invading army. However, Denethor was not killed by enemy soldiers; he was killed by his own panicked reaction to fear. More often than not, panic is not only an inappropriate reaction, it actually causes the very thing of which you are afraid.

Fear is a natural, hard-wired human emotion. Indeed, wrote M. Scott Peck, author of *The Road Less Traveled*, the absence of fear is not courage; the absence of fear is mental illness! Every hero in Tolkien's classics had to face fear and decide whether to back down or keep moving forward:

- Bilbo had to plow through a wall of fear in the tunnel leading into Smaug's lair.
- Frodo was scared witless, but somehow found the courage to fight back against the Black Riders who attacked him and the other hobbits at Weathertop.
- Théoden had to overcome accumulated years of anxiety before he could cast out Wormtongue and lead his riders into battle.

- Aragorn had to swallow his dread to make passage of the Mines of Moria, and again later as he led his companions through the Paths of the Dead.

By contrast, Denethor succumbed to his fears and immolated himself in the pyre of despair on the very eve of what turned out to be a glorious victory. Had Denethor not panicked at the moment of crisis, he might have been hailed as a mighty lord. Instead that honor went to his more stalwart son, Faramir, while Denethor went to his grave.

You cannot live without fear any more than you can live without pain. To be an effective leader, though, you must regularly confront fear with courage and decide to do what must be done, no matter how frightening it may seem. Fear is a reaction; courage is a decision.

### **DIRECT FEAR INTO CONSTRUCTIVE CHANNELS**

When the hobbits told Strider (Aragorn) they feared the Black Riders of Mordor, he told them that they needed to fear them even more. He knew that when the hobbits were sufficiently afraid of the Black Riders, they would focus more on escape and survival and less on their next meal and pint of beer.

This is the essential message of Andrew Grove's book *Only the Paranoid Survive*. The Intel chairman says that in order to survive and thrive in today's competitive business world, you need to focus people's fears away from petty things such as office politics and toward critical issues such as the competition, losing a customer or falling behind in technology.

Even George Washington – remembered for having been one of history's most enlightened leaders – was not above hanging a few deserters during the Revolutionary War, or marching out the army to put down the Whiskey Rebellion, in order to create an appropriate fear in the hearts of followers.

There are two crucial factors that every leader should understand about channeling fear. First, motivating by fear is most effective when used only in exceptional circumstances, and least effective when used as a matter of routine. When a manager who is known for being compassionate and empowering tells an employee that she will lose the job if her performance does not improve, that fear is more likely to have constructive consequences than fear created by a manager whose daily routine is to bully and browbeat.

Second, the leader must always frame the object of fear as an external threat, not an internal one. Herb Kelleher, former CEO of Southwest Airlines, may well be the most beloved boss in America, but he knows when to channel fear rather than drive it out of the workplace. When United Airlines attacked Southwest in several key markets, Kelleher created a David-versus-Goliath atmosphere that kept his people's fear focused on the competition.

Managers who achieve their ends by screaming, threatening and punishing end up building a culture in which fear becomes internalized, endemic and corrosive. When people are more afraid of the boss than the competition, the competition will prevail.

Here are five steps leaders can take to channel fear effectively:

- Cultivate an open environment free of secrets, in which information is freely shared and people are confident that they can discuss their fears in safety.
- Keep attention focused on external threats and create a sense of confidence that these challenges can be surmounted.
- Do not tolerate disrespectful or abusive behavior at any level.
- Cultivate a culture in which people really care for each other, for their work and for their customers and communities.
- Teach people practical skills of emotional intelligence to help them more effectively manage their own stress, anxiety, fear and other negative emotions.

### **CARING IS THE ROOT OF COURAGE**

Sam Gamage did not consider himself to be particularly courageous, but he was valorous beyond compare when it came to protecting Frodo from harm. When you care enough about something – as Sam cared for his master – you will find the courage to do what needs to be done. That’s why it pays to cultivate a caring organization.

Each year, *Fortune* magazine compiles a roster of the “100 Best Companies to Work For.” The defining characteristic of these organizations is that, each in its own way, they create a caring culture. They demonstrate that they care for their people, and they create a non-negotiable expectation that their people care for each other and for their customers. Griffin Hospital in Derby, Connecticut, is one of only five hospitals to have made the Fortune 100 Best Companies to Work For list, and the only hospital to “five-peat” (in 1999 through 2003).

Griffin’s CEO is Patrick Charmel. I first met Pat when he brought most of his management team to a seminar I was conducting on how to cultivate a mission-driven culture. That day, every other Connecticut hospital CEO was at a function on Cape Cod. Pat chose to forgo lobster and the beach to be with his people. Almost every conversation I have with Pat or members of his team comes back around to caring – for staff, for patients, for the community. I’m certain that’s why Griffin Hospital is one of the best companies to work for in America.

### **OVERCOME THE FEAR OF CHANGE**

Denethor was deathly afraid of change. When Gandalf asked him what he wanted, Denethor replied that he only wanted for things to remain as they always had been, and to pass that world along unchanged to his son. The arrival of Aragorn to reclaim his kingship promised a profound change to the status quo, and rather than face that change, Denethor took his own life, causing great harm to his city in the process.

In today’s turbulent global economy, doggedly hanging onto the past is a surefire recipe for failure. One of the leader’s chief

responsibilities is to help people understand the need for change, to help them develop the emotional and practical skills necessary for accomplishing that change and then support them through the process. One way to overcome fear of change is to calibrate the pace to the culture of the organization. The past several years have seen a number of high-powered CEOs who were brought into organizations with a mandate to change but ended up falling on their faces because they didn't take the time to fully understand the organization before pushing ahead with their change agenda.

### **OVERCOME THE FEAR OF FAILURE**

When Gandalf failed to force a passage across the snowbound peak of Caradhras, he didn't fold up his tent and go home. Aragorn didn't throw in the towel when he failed to hold the Fellowship together after they departed Lothlorien. And Sam didn't crawl back to the Shire after Frodo was paralyzed by the giant spider Shelob, then carried off by orcs. They all understood that failure is not in falling, but rather in not getting back up.

Nigel Newton is Chief Executive and Chairman of Bloomsbury Publishing PLC, the entrepreneurial publisher behind the *Harry Potter* series by J.K. Rowling. He told *Fast Company* (September 2001) that he is not only willing to fail on some individual books, but he expects to. He tells his editors that one-third of their new books might fail to reach their objectives. "You have to take big and small risks in this business," he says. "If you're not having a fair degree of failures, you're not exposing yourself to the upside of getting it dramatically right on dark horses."

At the time Bloomsbury accepted *Harry Potter and the Philosopher's Stone*, a quirky children's book from a previously unknown and unpublished author, there was no way of foretelling the massive success it would achieve. Only in retrospect is it clear that the greatest possible failure would have been seeking to avoid failure by rejecting the book. Paradoxically, having the courage to fail in the short run often lays the foundation for success over the longer term.

### **DARE MOST WHEN TIMES ARE DARKEST**

Twice during the War of the Ring Gandalf suggested a course of action that appeared to be driven by either despair or recklessness. First, he proposed sending the Ring into Mordor in the hands of a ridiculously small company which, if discovered, would be quickly overwhelmed, putting into Sauron's hands the weapon he needed for total dominion. Because the only hope for defeating Sauron lay in the Ring's destruction, however, what on the surface appeared to be the most dangerous path was actually most likely to succeed.

Second, after Sauron's forces were defeated in the battle for Minas Tirith, Gandalf led a small force to stage a direct assault on the front gate of Mordor itself. He wanted to divert Sauron's attention from the ravaged lands within his walls where, Gandalf hoped, Frodo was making his way with the Ring toward Mount Doom. Gandalf's diversionary force had no hope of winning a tactical battle, but his eye was on a greater strategic gain.

In the 1980s, Chrysler slumped into what medical doctors would call a persistent vegetative state, and most industry observers were certain the only thing to do was pull the plug. But the story of how Lee Iacocca rescued Chrysler vividly illustrates what a daring attitude in dark times can accomplish. At considerable risk to his own career, Iacocca took on the challenge of reviving Chrysler. His bravura shocked the company back to life and electrified the American public. A less dramatic performance would certainly have failed, but by daring greatly during the darkest days, Iacocca created an American legend.

Some 2,500 years ago the Chinese warrior Wu Ch'i wrote that on the battlefield those who are determined to die with glory will live, while those who merely hope to escape with their lives will die. That was a paradox both Gandalf and Lee Iacocca well understood: Desperate times call for daring measures, pursued with energetic and courageous determination.

### **CONFRONT OBSTACLES WITH BOLD ACTION**

After their failure to cross over the mountain passes at Caradhras, Gandalf told members of the Fellowship that he would lead them through the Mines of Moria. Stouthearted warriors though they were, both Aragorn and Boromir were appalled and terrified at the prospect. Gandalf appreciated, however, that in the aftermath of apparent failure, the wisest course is often to embrace even greater risk.

As Doug Hall says in his book *Jump Start Your Business Brain*, “Fear is greatest when things are going badly. And this is just the time when courage is most needed.” Hall cites a 1999 study reported in the *Journal of Product Innovation Management* showing that business people were much more willing to take a risk after a recent success than after a failure. When things are going great, we don’t have much need for courage. Then it’s easy to take a new risk. When things are tough, however, fear is high and the natural tendency inclines away from additional risk. Yet these are exactly the times when a dash of courage can yield a disproportional payoff.

In 1967 most businesses were retrenching in the face of a predicted recession. Ray Kroc, however, continued his aggressive expansion of McDonald’s, knowing that by putting his foot on the gas at a time when competitors were feathering the brakes, he would leave them even farther in the dust. He did, and they have never caught up.

### **COURAGE COMES IN MANY FORMS**

Challenging times call for courage. Effective leaders call forth courage – in themselves, as Frodo did when he accepted the burden of carrying the Ring into Mordor, and in others, as Gandalf did when leading the Fellowship through the Mines of Moria.

People are rarely called to put their lives on the line in today’s world of business, but in a tough and competitive environment, courage is still a critical success factor. *Investor’s Business Daily* has a regular feature on “Leaders & Success.” Many of the leaders described on these pages reflect the courage it

takes to build a winning team, create a lasting organization and contribute to making a better world. For example:

***The courage to risk:*** When cosmetics entrepreneur Estee Lauder was given the change to run the beauty concession at a salon, it was a big step for her business, but also a big risk. Yet as she later said, “Risk is the cornerstone of empires. Not one ever became a success without taking chances.”

***The courage to fail:*** Dycom is one of the most successful companies in the telecommunications engineering and construction business, but it only got there by a willingness to work through apparent failure. CEO Steve Nielson says the management teams of each of his most profitable divisions “have been through some kind of near-death experience where things got really tough, and the good ones, when they get through that, have a much more disciplined approach to business.”

***The courage to innovate:*** When Arthur Blank and Bernie Marcus were fired from their jobs with a home improvement store chain, they developed the idea and raised the capital to launch Home Depot. The courage to innovate was one of their keys to success in building a business that in 2000 had nearly eight hundred stores and did \$30 billion in sales. Blank says that fear can be the catalyst for courage. According to Blank, “If you don’t change, you’re a dead duck. You must wake up every morning and wonder, ‘Who will destroy me today if I don’t keep my eyes open?’”

***The courage to hang on:*** Conrad Hilton lost three of his eight hotels during the Great Depression, and was advised to declare bankruptcy so he could get a fresh start. Knowing that a solid credit rating was vital to his future success, he refused, saying, “Bad times eventually become good, and if you can find a way – any way – to hang on, you will profit in the end.”

***The courage to stand for something:*** Soichiro Honda insisted that the company that bore his name would stand for more than simply making a profit. This is a

characteristic shared by all companies that achieve and sustain greatness. As Honda said, “An enterprise without moral principle, without a philosophy, [without] a willingness to serve the people, such an enterprise cannot succeed.”

***The courage to trust your dreams:*** When the AT&T monopoly was broken up, most people saw wireless communications as a narrow market niche, but Craig McCaw perceived the potential for universal application. He built McCaw Cellular Communications Corp. into a market leader, which he sold to AT&T for \$11.5 billion in 1994. McCaw says, “The greatest ideas you will ever have are the ones that other people don’t understand. If you care too much about what they think, you will not do the right thing.”

***The courage to have great expectations:*** Value Line founder Arnold Bernhard had high expectations for himself and for the people who worked with him. His tenacious focus on big goals helped his company become one of the top investment advisers in the country, and created a whole new approach to distributing investment analysis services. Bernhard said that a corporate executive “has to have a sense of urgency --[and be] a man who’s committed to getting things done and not coasting or riding with the tide.”

***The courage to concentrate:*** Through a relentless focus on key priorities, Tom Siebel has built Siebel Systems into one of America’s fastest-growing technology companies. It’s easy to be distracted by apparent opportunities for diversification, and it takes a special kind of courage to stay focused. Siebel says that too many companies “want to be all things to all people. They seize the opportunity of the day. They confuse the market. They confuse the customers. They confuse their own employees. I think one of the reasons we’ve been as successful as we have been is because there’s never been any confusion. We make it very clear that this is where we’re going, and this is how we’re getting there.”

### **BE BRAVE FOR YOUR BUDDIES**

The hobbits in the Fellowship of the Ring did some very brave things. The source of their courage was not an altruistic desire to save the world, but rather a loving concern for their buddies. Leaving his friends behind to venture alone into Mordor was perhaps the bravest thing Frodo ever did, but he didn't do it because he thought it would enhance the chances of success for the Quest. He did it to shield his buddies from danger. Sam did not attack Shelob to rescue the Ring and fulfill the Quest, which at that moment was perilously endangered, but to save Frodo.

*Flags of Our Fathers* by James Bradley is the moving story of the six men who were captured in the most famous wartime photograph of all time: the raising of the American flag over Mount Suribachi on Iwo Jima. During the long battle, this tiny island was the scene of innumerable acts of heroism. As the men whose stories Bradley tells all put it, it was not God, flag and country that drove them; it was concern for their buddies.

One of the six men was Sergeant Mike Strank, who was looked up to as a natural leader, "a Marine's Marine." It was not physical toughness or courage that earned him such respect, however. It was the caring and the love he showed for his buddies, the way he would risk his life for them, the way in the end he died for them. His quiet example was more powerfully motivating to his men than a pep talk from the President himself would have been.

If the power of caring can motivate men to advance into the teeth of machine gun fire, or throw themselves onto a grenade to save their buddies, imagine what it can do to fire up your organization! Here are two questions to ask yourself:

What kind of example are you personally setting when it comes to promoting an environment of caring and friendship?

What can you do to institutionalize a commitment to caring so that sustaining that culture will not depend solely upon your example?

## **CROSS THE BOUNDARIES OF YOUR COMFORT ZONE**

King Théoden had to go way outside of his comfort zone to accept the strange and ominous Ghan-Buri-Ghan, chief of the people of the woods, to guide his riders through long-forgotten back roads leading toward Gondor. Uncomfortable though he was with the risk, it allowed him to arrive undetected on the battlefield at Minas Tirith and thus turn the tide of the war. By going outside of his comfort zone, Théoden ended up expanding it, in the process gaining a new ally and a significant source of competitive advantage over his enemies.

In *Leadership and the New Science: Discovering Order in a Chaotic World*, Margaret J. Wheatley describes the remarkable parallels between recent developments in quantum physics and other fields of scientific inquiry, and behavior within modern organizations. She emphasizes the paradox that over time, organizational stability and strength develop only when leaders are willing to leave their comfort zones by openly sharing information, interacting with the environment and fostering an environment that is supportive of continuous change.

Wheatley gives the example of a chemical manufacturing facility that reached out to create working relationships with traditional opponents, including government regulators, environmental advocates and community groups. “As relationships developed far beyond the plant,” she says, “it created conditions *within* the plant for levels of autonomy and experimentation that resulted in extraordinary new levels of safety and productivity.”

## **HELP PEOPLE MANAGE UNCERTAINTY**

Scratch the surface of fear and you will find uncertainty. As Sam trailed after Frodo’s apparently lifeless body being carried into the enemy’s castle, the uncertainty of his situation seemed more terrifying than an actual confrontation with an orc or two would

have been. A doctor friend once told me that the most difficult time for cancer patients is the period between when the disease is first suspected and a definitive diagnosis is made. The uncertainty is torture; but once the nature of the enemy is disclosed, they can at least prepare themselves for the fight.

David Morgenthaler is founder of Morgenthaler Ventures. In his more than half a century as an entrepreneur and venture capitalist, he has learned a lot about what it takes to be a successful leader in business. When I asked him what he thought would be the single most important quality for leadership success in the years to come, his answer was instant and unequivocal: helping people manage uncertainty.

As an example, Morgenthaler is chairman of a biotech company for which more than \$100 million has already been raised by his venture capital firm. The company's products are in trial now, and there is no certainty that they will receive government approval. The investors could end up with either a multibillion-dollar company or an empty hole into which they have thrown money, and it will be a long time before they know which will be the outcome.

In a situation like this, it is imperative that the company's leadership creates confidence on the part of employees and investors. If they allow a downward spiral of uncertainty causing doubt-creating fear leading to either paralysis or panic, it will be all the more difficult for the company to succeed.

### **GIVE FEAR A NAME**

#### **AND IT BECOMES JUST A PROBLEM**

As Bilbo crept down the dark tunnel that led toward the cavern of Smaug, his heart was seized with terror. Yet Bilbo didn't even know what the dragon looked like, beyond wild imaginings rendered from children's stories he had heard ages earlier. Going on from there, Tolkien wrote, was the bravest thing Bilbo ever did; his real battle occurred when he was all alone in the tunnel, before he had even seen the monster below.

Once Bilbo stepped into Smaug's den, his focus shifted from his fears (being eaten alive or worse) to the problem (finding a weak spot in the old dragon's defenses).

In today's business climate, virtually nobody can make the legitimate fear of losing a job go away. What you can do, however, is give that fear a name, turn it into a problem and start working on fixing the problem. If you fear losing your job, the problem is that you have not made yourself indispensable. There are many things you can do to work on that problem. You can take courses to enhance your technical expertise, be more enthusiastic on the job, do a better job of networking so you're better connected and informed.

Not only will you become more indispensable to your present employer, you will become more attractive to other potential employers should the current job fall through anyway. As a side benefit, when you are focused on solving the problem, fear might not go away completely, but it will be greatly diminished.

### **WORRY EFFECTIVELY**

Gandalf was a consummate worrier. He was always racing ahead – in both time and space – to anticipate outcomes and prepare for the unexpected. Wherever his physical presence happened to be, a part of his mind was somewhere else. Anxiety seemed to be the great wizard's constant companion.

For Gandalf, worry did not end with dwelling upon all the possible adverse outcomes. Rather, that was only the starting point for taking action. He worried about the safety of the hobbits when they first set out, naive and inexperienced in the dangers of the world, so he asked Tom Bombadil to keep an eye out for them. He worried that they could get lost or waylaid making their way to Rivendell, so he arranged for Strider to be their guide.

Most of all, he worried about Frodo and his Quest. Despite being absorbed with his own serious battles and responsibilities, Gandalf transformed his worry into effective action. He enlisted the aid of Gwaihir, the eagle king, to fly into Mordor and look for

Frodo and Sam, and to rescue them once their mission had been fulfilled.

In his book *Worry*, Edward M. Hallowell describes the performance-anxiety curve, which “shows that as anxiety increases, performance improves, up to a point. Beyond that point, as anxiety continues to increase, performance declines.” Hallowell cites studies showing that effective entrepreneurs and business leaders worry a lot, but that their worry has two distinct characteristics.

First, it is focused on achievement of goals, not concern for personal advancement or the opinions of others. Second, it precipitates action that obviates the cause of the worry, thereby freeing the leader’s attention to focus on some other worry. When it is properly focused on important goals and accompanied by a commitment to taking effective action – even at the risk of rejection, failure or humiliation – worry can be a powerful leadership tool. When it is not, worry inevitably degenerates into anxiety, which can be a leader’s worst enemy.

### **CHANNEL RAGE INTO COURAGE**

When Sam saw Shelob, the hideous giant spider that guarded the secret passageway into Mordor, crouched over Frodo, the little hobbit attacked with such a fury that the evil monster was driven off. The orcs who came by later and saw evidence of the spider’s wounds guessed that a fierce and terrible warrior was loose in their lands. Sam’s furious courage more than made up for his diminutive size. Anger can be a highly counterproductive emotion that provokes a range of self-sabotaging behaviors. Effectively channeled, however, it can be the fuel that energizes a successful attack on a problem.

After Candace Lightner’s daughter was killed by a drunk driver, she was determined to channel her anger into building an organization that would prevent other parents from having to go through the anguish of learning that their child had been killed in a drunk driving incident. Unlike so many parents who turned grief and anger inward, Lightner used hers as a source of energy and power to change the world. As a result of her efforts and the work

of Mothers Against Drunk Driving, the organization she founded, tens of thousands of Americans are alive today who otherwise would have been killed by drunk drivers.

### **DON'T PANIC UNDER PRESSURE**

After the near disaster in the snowstorm on Caradhras, Gandalf led the Fellowship to the gates leading into the Mines of Moria. The doors could only be opened with a magic password, which Gandalf did not know, so he was going to have to figure it out. His companions were beginning to panic. They could hear the howling of wolves nearby, and had a distinctly bad feeling about the lake just behind them. Yet Gandalf needed mental clarity now like never before. Had he allowed their panic to rattle him, he might not have stumbled upon the solution in time.

As a leader, you must not allow yourself to panic under pressure; you must maintain your focus and attention. In addition, one of the leader's key responsibilities is to instill that "Failure Is Not an Option" sort of mental toughness in others, so that in the face of danger, panic will not dissipate their mental clarity.

## THE 12 KEYS TO

**Courage**

1. Fear is a reaction; courage is a decision.
2. Direct people's fears into constructive channels and away from petty concerns.
3. When confronted by fear, remind yourself of the things you care most about, and you will find the courage you need.
4. The groundwork for long-term success is first laid when you overcome the fear of failure.
5. Dare most when times are darkest, because that's when opportunities are greatest.
6. Confront obstacles with bold action; break through the boundaries of your comfort zone.
7. Effective leaders call forth courage in both themselves and in others.
8. Make overcoming doubt and fear a lifelong discipline.
9. True courage starts with concern for others.
10. Help people manage uncertainty by keeping a clear focus on desired outcomes.
11. If you give fear a name, it becomes just a problem, and it's easier to solve problems than it is to conquer fear.
12. Catalyze fear into emotional energy for constructive action.

## LESSON

## 3

**P**ERSEVERANCE

*As Frodo and Sam struggled their way across the wastes of Mordor toward their rendezvous with Mount Doom, on more than one occasion hope nearly fled them.*

The main difference between winners and also-rans is often that the winners don't quit when the going gets tough, as it undoubtedly will at some point in any endeavor of significance. Frodo carried a heavy burden across the wastelands of Mordor, enduring many dangers and hardships along the way. There were many times when he simply wanted to quit, but his perseverance defined the Quest, and in the end saved Middle-earth.

## LEADER FOR PERSEVERANCE

**Winston Churchill**

For forty years, Aragorn fought a long and lonely fight against the forces of evil. There were undoubtedly many times when he despaired of ultimate success, but he never quit, he never stopped fighting, and he was crowned with ultimate success.

Winston Churchill, according to biographer William Manchester, was “the man who stood against Nazi Germany when his peers ridiculed him – and who later refused to quit when those around him believed England’s cause lost, thereby saving western civilization.” Manchester documents how Churchill was virtually the only one pointing out the evils of the Nazi regime, and the dangers of its rearmament. When war finally did come, for two years Churchill stood alone against Hitler – through the dark days after the fall of France, the evacuation of Dunkirk, catastrophe in Norway, the submarine blockade, the bombing of London, the virtual meltdown of British finances an opposition from those within his own government who wanted to sue for peace with Hitler.

Churchill took a number of steps that helped England persevere through her darkest hour. First, he recognized that the ultimate battlefield was psychological, and that the emotional stamina of the British people was every bit as important as her military resources. With some of the most eloquent speeches ever crafted, he both prepared the British people for the trials to come, and stiffened their resolve to prevail through those trials.

Second, he appreciated the psychological importance of maintaining offensive momentum, even if such actions were largely symbolic. One of his first actions after the fall of France was to attack several French battleships anchored off Algeria to prevent them from falling into Hitler’s hands. When Britain mustered a pitifully small number of bombers to attack Germany, Churchill eschewed military targets in order to strike a blow at Berlin herself. These largely symbolic actions not only bolstered the spirits of the British people, but they also proved to a skeptical America, and

especially to President Roosevelt, that the British had not been beaten and could still effectively carry the fight to the Germans.

Third, Churchill understood, in his memorable words, that the only thing worse than fighting with allies was fighting without them. In the years before America was drawn into fighting the war, Churchill assiduously cultivated a relationship with Roosevelt, knowing that Britain's ultimate ability to persevere would depend upon American manpower and resources. Finally, Churchill established a systematic approach to gathering intelligence, making decisions and monitoring operations. Within that structure, he used his personal charisma and drive to relentlessly push his people on to victory. He ultimately prevailed by conveying his determination to persevere to his allies and his countrymen.

"We shall never stop, never weary, and never give in," said Churchill in a speech to rally French resistance to German occupation. There has perhaps never been a greater example of how one individual's perseverance can change the course of world history than Churchill's singular defiance of Hitler in the days that he, like Gandalf standing before the Balrog on the Bridge of Khazad-dum, stood alone in defiance of evil.

### **CULTIVATE GREAT HEART**

When King Théoden led his host of Riders off to Minas Tirith, he told Merry to stay behind. Merry was disappointed, but more than that, he was ashamed. Frodo and Sam were in Mordor pursuing the Quest, and Pippin was a soldier in the beleaguered city of Minas Tirith, but Merry was to be left behind with the women and children. Fortunately for Merry, Eomer's sister Eowyn was also determined to join the fight. Dressed as a man, she carried Merry on her horse. In the great battle, the two of them teamed up to slay the captain of Sauron's Black Riders. Then Merry made his way to Theoden who, mortally wounded, lay on the field nearby, and apologized for having disobeyed the command to stay behind. The king forgave him acknowledging that someone with such great heart simply could not be stopped from pursuing his goal.

Many, perhaps most, of us have allowed our great hearts to be buried under layers of fear, self-doubt, low self-esteem and an array of other negative and inhibiting emotions. One of the great challenges of being an effective leader is to liberate *your* great heart, and replace negative, paralyzing emotions with positive and affirming ones – and then help others do the same.

### **PRACTICE THE 3 P's OF PERSEVERANCE**

As heir to the throne of Gondor, Aragorn believed it was his destiny to become king. Yet for nearly four decades he wandered as a lonely Ranger, subjecting himself to harsh privations and lethal dangers as he worked and fought to protect his future subjects from the enemy. What gave him the stamina to persevere through his trials? He practiced the 3 P's of Perseverance: Purpose, Passion and Patience.

**(1) Purpose:** Because of his lineage, Aragorn could have lived comfortably in the elf haven of Rivendell and would hardly have been criticized for his choice. He was, however, driven by a higher purpose.

When the board of Apple Computer called on Steve Jobs to return to the company he helped to start in order to save it from going under, few would have blamed him for declining. After all, the

Apple board had sent him packing not many years earlier. He had since proved his entrepreneurial mettle with several new ventures, and had more money than he would ever be able to reasonably spend. Why should he take on the headaches of trying to save the company that had spurned him? Like Aragorn, Jobs had always been driven by a higher purpose than simply making money or even selling computers; he was out to change the world, and someone with that sense of purpose simply does not quit in the face of adversity.

**(2) Passion:** Whether he was battling orcs intent on despoiling his Kingdom or singing to the hobbits about legends of the elder days, Aragorn ran at full throttle in the pursuit of his “impossible” dreams of a magical kingdom.

In this, he resembled the builder of our world’s Magic Kingdom, Walt Disney, whose absolute enthusiasm was so contagious that one “impossible” dream after another was transformed into reality by the members of his team. The day before Walt died of lung cancer, as he lay on his back in a hospital bed, he visualized an image of the not-yet-begun Walt Disney World in Orlando on the ceiling of his room. That’s passion!

**(3) Patience:** Aragorn tempered his passion with patience. He knew the road to the throne would be a long one strewn with hurdles, but he had learned to labor and to wait through the arduous and anonymous years of preparation.

Like most other “overnight successes,” Anita Roddick worked through many long and difficult years to build The Body Shop from a small cosmetics shop in England into a worldwide beauty products empire – one that is known for its social and environmental conscience. Had she not been willing to patiently spend the requisite time on every step of the ladder – creating and testing new products, refining the franchising strategy and operation, evolving promotional strategies – she would never have created this unique worldwide business.

Purpose, passion and patience – cultivate these and you, too, will be successful.

### **FIND OPPORTUNITY IN ADVERSITY**

When Gandalf told Frodo about the true nature of Bilbo's Ring, and how it was desired by Sauron, the dark lord whose power was again waxing in Mordor, the young Hobbit was stunned. He said it was the worst news he had ever hears, as indeed it was. In the coming War of the Ring, many thousands of valiant warriors and innocent noncombatants would lose their lives, and lands of Gondor would be devastated and even the Shire would feel the lash of tyranny and death. The war marked the ending of the age of wizards and elves, and their departure from Middle-earth.

More than Frodo could have guessed at the time, it would be a time of tragedy and grief. Yet out of the shadows emerged a new kingdom of men with Aragorn at last seated on his rightful throne, Sauron and Saruman vanquished and the Shire restored. Frodo himself, along with his companions on the quest, grew stronger and wiser through their trials.

On September 11, 2001, The United States experienced an attack that could have been no more horrifying had Sauron himself orchestrated it. Thousands of innocent people were murdered, the world's most important financial center was destroyed and, in the blink of an eye, our world learned to live with a threat of violence and terror not known since the end of World War II.

Yet in the aftermath of this unspeakable tragedy, some extraordinary things began to happen. The American people came together in sympathy for the victims and with an implacable determination to find and stop the perpetrators with a show of unity not seen in many an age. In a political realignment that would have been inconceivable on September 10, the leaders of the United States, Russia and China pledged mutual support toward the goal of eradicating terrorism, a pledge that enjoyed worldwide backing of people from virtually every nation and religion.

For many individuals, the tragedy served as a wake-up call to reassess their personal goals, to be less driven by money and more driven by mission. Perhaps the greatest tribute a leader can make to the victims of any adversity is to assure that something positive and constructive is achieved as a lasting legacy to their sacrifice.

### **KNOW WHEN TO STAND FAST**

After his comrades had passed over the narrow bridge leading out from the Mines of Moria, Gandalf planted himself firmly on the bridge between his friends and the monstrous Balrog that was in hot pursuit, denying him passage. Gandalf knew when to be flexible and understanding, as he tried to be with Saruman and Gollum. He also knew when to stand fast and draw a line in the sand, as he did with the Balrog.

In 1995, Dr. James Blagg was offered a position ideally suited to his entrepreneurial temperament: founding dean for the college of health professions at the newly chartered Florida Gulf Coast University in Fort Myers. He was able to help build a brand-new school from the ground up, and took an active role in curriculum development, facilities design and operating procedures. The state board of regents mandated that one-quarter of the new school's students be taught using distance learning technology, but other than that, the administration was given substantial control in building their school.

Dr. Blagg and his fellow deans passed that autonomy along to their newly recruited faculty. One of the few mandates they handed down was that each and every course in certain degree programs, including health professions, had to be accessible to all students, including those studying from a distance. When the faculty told Dr. Blagg that one particular course was not adaptable to an online format, he stood firm and sent them back to the drawing boards. After several rounds of discussion between Dr. Blagg and the faculty, it finally became clear that they were not going to win this particular fight. In the end, the faculty developed a perfectly satisfactory online version of the course in question, which is now part of the core curriculum. Dr. Blagg clearly knew the value of taking a stand. He has since gone on to achieve similar results at universities in Arizona and Massachusetts.

**RESPOND TO THREATS  
WITH CONSTRUCTIVE ADAPTATION**

In *The Hobbit*, after giant spiders captured the dwarves, Bilbo had to improvise to save his companions. Putting on the magic ring to make himself invisible, he lured the spiders away from the tree on which they had suspended the dwarves by taunting them with insulting poems made up on the spot. He was subsequently able to slip back and free the dwarves.

Jack Covert is President/Founder of 800-DEO-READ, a business-to-business supplier of knowledge resources based in Milwaukee. Like many other independent booksellers, his business has been significantly affected by the growth of Amazon.com. Rather than slug it out with Amazon.com for individual sales, a fight he believed he would ultimately lose, Covert refocused his business to concentrate on volume sales to organizations. Because of his extensive contacts with authors, publishers and distributors, he is able to offer a level of customization that differentiates him from retail-oriented book distributors.

As a result, although the number of individual orders processed by his company fell (at least for a while), dollar sales have actually increased because of the shift from individual to quantity sales. Covert emphasizes the importance of building relationships. If you're out there talking to people and helping them achieve their goals, he says, they will help you figure out how to differentiate your business so you can continue to thrive even when threatened by larger competitors.

**DO NOT ALLOW DESPAIR**

Gandalf understood that the greatest enemy was not the enemy, or even *fear* of the enemy; rather, it was despair. Gandalf told Elrond's Council that despair was only for those who had no doubt that their cause would fail. Despair is among the most enervating of emotions. Gandalf took many steps to prevent despair. He never sugarcoated the nature of the challenge so that his charges would not be surprised by difficulties. Even during the sternest of

trials he had a fine feel for when the troops needed a rest, and for knowing when to crack a joke or offer a word of encouragement. When rations were low, he was the first to tighten his belt. Perhaps most important, he would never acknowledge any apparent dead end, knowing that with courage and creativity it could be bypassed.

Ernest Shackleton never read Tolkien, but many of the techniques used by the adventurer to prevent his crew from despair could have been learned at the feet of the great wizard Gandalf. When Shackleton's ship *Endurance* was first trapped in and then crushed by Antarctic ice in 1916, one of his most daunting challenges was to maintain the morale of his twenty-eight crew members during their 634-day ordeal.

In *Leading at the Edge*, leadership consultant Dennis N.T. Perkins and his co-authors describe some of the strategies that Shackleton used to hold his team together and bring them all home alive:

- Shackleton kept his men busy, knowing that idleness can foster a sense of lost control, which in turn leads to despair.
- He was quick to defuse conflict, and used every excuse to hold a party or celebration of some sort.
- He made sure his men understood that he had no doubt whatsoever they would all survive, and set a personal example of courage and self-sacrifice in doing the things that were necessary for that to occur.
- He encouraged creative thinking to solve what appeared to be intractable problems, and when inaction would have been a fatal choice, he was willing to take what otherwise would have seemed unthinkable risks.

Shackleton knew that a leader's first duty during tough times is to maintain hope and optimism, and to stave off despair, no matter how desperate the situation might seem. In retrospect, one can speculate on how frequently members of the crew were tempted to quit before the breakthrough that led to their rescue. Shackleton himself later wrote: "I have marveled often at the thin line that

divides success from failure and the sudden turn that leads from apparently certain disaster to comparative safety.”

### **TRANSFORM DESPAIR INTO DETERMINATION**

Prevention is the best defense, but when despair strikes anyway, the best strategy is to transform it into the energy for determination. As Sam looked across the vast ravaged wasteland of Mordor toward Mount Doom in the distance, he began to despair. But even as Sam’s hope faded, it was replaced with a renewed strength of purpose and determination to prevail. In the days to come, Sam encouraged, led and even carried Frodo onward toward the cracks of Doom into which the Ring was to be thrown. Paradoxically, the more he accepted the hopelessness of their salvation, the more relentlessly he pursued the successful fulfillment of their mission.

Many very successful, very creative people have stood on despair’s doorstep, perhaps for a very long time, and returned more determined to become the persons they were truly meant to be and to pursue their most authentic dreams. Og Mandino, Buckminster Fuller, Billy Joel, Harold Hughes and Robert Fulghum are among those who were actually on the brink of suicide when they turned around and realized that they had important work remaining to be done. Robert Fulghum wrote the following about how he faced despair: “Death isn’t what I wanted. It wasn’t less life, but more life – life with meaning.”

Great leaders recognize that despair is an emotional wasteland, and are quick to transform it into determination by investing the situation with meaning and with commitment to prevail against all odds.

### **HOPE OFTEN SAVE A LOST CAUSE**

As they approached Minas Tirith, already burning from the torches of Sauron’s minions, Legolas the elf told Gimli the dwarf that hope often arises just when all seems lost. Hope is such a precious commodity. Best of all, you don’t have to explain it or justify it, you just hope. In the golden hall of King Théoden, Gandalf

acknowledged the desperate situation confronting them, but added that there was still hope if only they could stand unconquered for a while longer.

I love to read about entrepreneurial near-death experiences. Many start-up companies hit one or (more often) a whole series of crisis points. These are not just crises of business and money, they are also crises of confidence and conscience. Mike and Lynette Richards are graduates of an entrepreneurship class I taught, but I learned more from them than they learned from me. They started an Iowa-based company called Candleworks, which gained national recognition for the fact that its workforce is drawn from the ranks of the homeless, addicted and disabled.

In his book *Light One Candle*, Mike wrote of the unavoidable crises as tests. In every business, Mike said, there are many levels of success and challenge; the greater the success, the bigger the challenges. Before you are allowed to graduate to each progressively higher level of success, with its commensurately bigger challenges, you must pass a test. Often, he wrote, the entrepreneur is not really facing a crisis, but rather taking a test to see if he or she is really prepared for the next level of success.

### **DON'T GIVE IN TO APPARENT FAILURE**

The new Houghton Mifflin edition of *The Lord of the Rings* is 1,008 pages long. For most of the story, an outside observer making an objective assessment of the forces on either side of the battle would give little hope and long odds for Gandalf's team to prevail. At times, the situation seems downright hopeless for Gandalf and his team. It is not until the Ring is destroyed – 925 pages into the story – that our hypothetical observer would have justifiable confidence in a happy ending. And rightfully so, because after that point, the winds of fate shift with amazing speed.

In *Frontiers of Management*, Harvard Business School professor Rosabeth Moss Kanter writes that *everything can look, like a failure in the middle*. How true! A key element in the art of leadership is knowing when to persevere during apparent failure in the middle, and when to cut your losses and move on. The more important the quest, the less likely the real leader is to cut and

run. We remember our greatest leaders not so much for their successes as for their perseverance through apparent failure in the middle. Moses in the desert, Jesus at his trial, Joan of Arc at Orleans, Washington at Valley Forge, Churchill during the blitz, Helen Keller in the silent darkness, Nelson Mandela in prison. The leaders who truly inspire us are those who refuse to succumb to apparent failure, because they recognize it is only failure if they quit.

### **DON'T LET "NO" BE A FINAL ANSWER**

When Gandalf first invited Bilbo to join him on an unspecified adventure, the little hobbit turned him down flat. But "no" was not the answer Gandalf wanted to hear, though he surely had anticipated it would be Bilbo's initial response. Instead of badgering him to change his mind, Gandalf simply arranged for a visit by the dwarves, who had been led to believe that Bilbo had already signed on. By the time supper was over, he had.

Selling is a delicate process that often starts with understanding what the potential customer really wants, as opposed to what he thinks he wants. Bilbo thought he wanted to be left alone in peace and quiet, but Gandalf recognized that his long-submerged other side wanted more from life – he wanted to explore, to earn the hard-won respect of others, to win hard-earned treasures of his own. Gandalf orchestrated everything in such a way that he never had to sell Bilbo on his idea, but rather – to Bilbo's own surprise and occasional future regret – got the hobbit to actually volunteer.

It's a pretty good formula for success. When you get "no" as the first response, go back and ask more questions. The answers to those questions may help you better understand what your prospect really wants, and guide you to changes you can make so that what you're offering is a better fit. Sooner or later, you're likely to hear someone say, "Enough with the questions already! Let's get to work!" In other words, "Yes."

### **DON'T WAIT FOR THE RESCUE PARTY**

One of the things that makes Bilbo such an endearing character is that no matter how hopeless a situation might seem, and no matter how frightened he might be, he takes action. When the dwarves were captured and strung up by giant spiders and later when they were imprisoned in the dungeons of the elves, Bilbo didn't sit around waiting for Gandalf or a rescue party to save him. Instead, he became the rescue party. It is a measure of Gandalf's success as a leader that he was able to instill in Bilbo the confidence and initiative that more than once saved their quest. It is also a measure of Bilbo's character that he consistently rose to the challenge without needing to be led by the hand.

From the time of its victory in the Austro-Prussian War of 1866, the German army came to be recognized as unit-for-unit one of the world's most effective fighting forces. A key reason for this is that officers *at every level* were trained and expected to make decisions and take actions appropriate to a situation, without waiting for direction or approval from superiors. The punishment for failure to act (waiting for the rescue party) was greater than that for taking action that turned out poorly.

Contrast that with the culture that evolved in many American corporations in the second half of the twentieth century, where the Peter Principle, Parkinson's Law, Dilbert Disease, learned helplessness and a CYA mentality created bureaucratic and disempowering organizations. Fortunately, that is changing rapidly, and none too soon. The world is moving too fast and is far too competitive for managers at any level to sit in their cubicles waiting for direction or approval from above (the rescue party) before taking initiative.

### **KNOW WHEN TO YIELD AND WHEN TO ADVANCE**

When members of the Fellowship of the Ring were attacked by an army of orcs in the dark caverns of Moria, Gandalf stayed behind to block the advancing orc hordes while his companions fled. This was not a time, he knew, for them to stand and fight. After the successful defense of Gondor, on the other hand, Gandalf led what appeared to be a pitifully small army to attack the main gate into

Mordor. He knew it was essential to distract Sauron's attention from his own backyard, where Frodo and Sam were clawing their way toward Mount Doom and the destruction of the Ring. This was a time to advance even into the jaws of great danger.

One of the things that makes leadership more art than science is knowing when to yield and when to advance. As the 1980s wore into the 1990s, evidence mounted that market diversification in many cases not only failed to add shareholder value, but actually reduced it. (In his books on stock market investing strategy Peter Lynch of Fidelity called it "di-worse-ification.") Seeing this, farsighted executives stopped diversifying and shifted to a strategy of focusing on markets they would be able to dominate.

Unlike making a carefully studied and meaningful shift in strategy, quitting is giving up emotionally, giving in to the paralysis of anxiety and despair. Paradoxically, a failure to *stop* before excessive losses pile up can increase the likelihood that a catastrophic emotional meltdown will cause you to *quit*.

### **KNOW WHEN TO PULL BACK AND REGROUP**

When leading his teams on perilous adventures and quests, Gandalf always knew when to push ahead, even past the point of fatigue, and when to stop for recuperation and rejuvenation. There were times when stopping for a while at Beorn's cabin, at Rivendell or at Lothlorien actually contributed more to the success of the Quest than a frantic push toward the goal would have done.

The performance of the German and Russian armies on the eastern front during World War II provides an interesting contrast between these two approaches. Hitler was merciless in driving his divisions eastward. Through his absolute refusal to countenance a halt, much less a strategic retreat, Hitler broke the backs of his finest armies at Leningrad, in front of Moscow and at Stalingrad.

The Russians were not less ruthless in their determination to prevail, but were far more strategic in knowing when to swing the hammer forward and when to allow it to recoil to rebuild kinetic energy. Like Gandalf, and unlike Hitler, they knew that you are

more likely to drive a nail into a board with a series of sharp blows than with one sustained push.

The same principle can hold for organizations and for individuals. Periodically taking time to step back from the frantic pace of daily activities to regroup and refresh can help you gain a new perspective on both challenges and opportunities. Ironically, it is often during R&R that one grasps new insights and opportunities. And whether R&R stands for recuperation and rejuvenation, recoil and rebuild, regroup and refresh or reflection and redirection, it's a good idea to schedule it periodically, for yourself and for your team.

### **DON'T STOP SHORT OF THE FINISH LINE**

When Bilbo finally led the dwarves down into Smaug's cavern after the dragon had flown out to terrorize the countryside, Thorin and his compatriots lost themselves in wonder as they wandered the treasure-filled halls. Their complacency made Bilbo nervous. At last he reminded them that Smaug was still alive and would be returning soon, and that they were testing their luck.

After the Ring of Power was destroyed in the fires of Mount Doom, things appeared hopeless for Sam and Frodo. Earthquakes and fires were erupting all about the mountain, blocking off every conceivable route of escape. Frodo believed they had no hope of salvation, and was resigned to death. Sam, on the other hand, was unwilling to give up. He dragged Frodo to a safe vantage point from which they were soon rescued by Gwaihir and his eagles.

Both complacency and despair are mortal enemies of success. Complacency can seduce you to stop fighting before the battle is truly won; despair can induce you to stop fighting before the battle is truly lost. Just as Bilbo countered the dwarves' complacency and Sam countered Frodo's despair, real leaders do not allow a team to stop short of the finish line.

### **NO DEFEAT IS EVER FINAL**

When Sam and Frodo reached the Crossroads on their way to Mordor, they saw a stone statue of an ancient king. The king's head had been knocked off and replaced with a rough-hewn orc head. On the side of the road, Frodo saw the old king's head lying on the ground, wreathed with a crown of flowers. Evil might prevail for a time, he exclaimed, but its victory could not be sustained. Sure enough, when Gandalf and Aragorn led the expeditionary force past the Crossroads en route to their assault upon Mordor, they knocked down the orc head and replaced it with the king's, being careful not to disturb his floral crown.

In *Built to Last*, James Collins and Jerry Porras studied the differences between “visionary companies” that tend to dominate their markets year after year, decade after decade, and the second tier companies that struggle to keep up. One of their most surprising conclusions was that many of the visionary companies suffered numerous “defeats” during their formative years, whereas the second tier companies were much more likely to have had fairy-tale launches. The authors conclude that those early struggles helped create the type of corporate culture in which not defeat is allowed to be final.

### **NO VICTORY IS EVER FINAL**

When Gandalf told Frodo the story of the Ring, he described how Sauron, after his first defeat and loss of the Ring, retreated for a time into his ancient hold in Mirkwood. But now Sauron had returned to Mordor. The dark lord could be defeated, Gandalf said, but would eventually return again in some other form.

In recent years, a spate of books by coaches of college and professional sports teams have been published, and many deal with the secrets of achieving victory. Read them all and you'll discover many different theories of organization, ideas about motivation and techniques for building a winning team.

Whatever their differences, however, these coaches all agree on one thing: The most precarious time in the life of a team is after it has won it all, because that's when arrogance and complacency

set in. The leader must create an environment that encourages people to keep on being winners even after they have won, because no victory is ever final.

THE 12 KEYS TO  
**Perseverance**

1. Fortify yourself to persevere through difficult times.
2. Apply the 3 P's of Perseverance: Purpose, Passion and Patience.
3. Keep adversity in a positive perspective so you can learn its lessons instead of being embittered by it.
4. Be thankful in advance for the miracles that take time to develop.
5. Ask the kind of questions that move you forward instead of dwelling on the worries that hold you back.
6. Be ever watchful to prevent despair in yourself and others, and work to transform it into determination when it does arise.
7. Never lose hope as you go through life's trials; instead, find little signs of encouragement along the way.
8. Know the importance of standing fast, even in the face of opposition.
9. When you have a problem, don't wait for someone else to fix it for you; self-empowerment is the only real empowerment, and you're the only one who can empower yourself.
10. Perseverance does not mean mindlessly pushing ahead no matter what. There are times when it's appropriate to yield, or to pull back to regroup and restore your strength and enthusiasm.
11. Don't let complacency cause you to stop fighting before the battle is won; don't let despair cause you to stop fighting before it is lost.
12. No defeat is ever final, and no victory is ever final. Keep moving. Never Quit.

## LESSON

## 4

## VISION

*When Gandalf spent so much time with younger leaders such as Faramir and Eomer, he was laying the foundation for dreams of the future, dreams that would build upon those to which he himself had dedicated his work and his life – the dreams beyond the dream.*

To be effective, a leader must have and convey a vision for a better future toward which people are being led. The best leaders create such a powerful sense of destiny that fulfillment of the vision seems all but inevitable – a memory of the future. At his Council, Elrond, the oldest and wisest of the elf lords, laid out a vision of what the future would hold should Sauron once again possess the One Ring of Power, and also a vision of what the Fellowship of the Ring could accomplish to prevent that from happening. His sense of an alternative vision crystallized plans for sending the Ring into Mordor, coalesced the Fellowship to carry out the task, solidified the belief that it could be done and then carried the team through the cold hard lands where, but for the vision, it would have been all too easy to quit.

## **A LEADER FOR VISION**

### **Bill Gates**

Sam Gamgee was the first to see the devastation that was to come to the Shire in the mirror of Galadriel; he also had the vision to restore the forests and gardens of the Shire to their former glory and beyond.

Like Sam, Bill Gates is a practical visionary. It's been often noted that his is not necessarily a technical innovator, but has a unique ability to see how technical innovation can be used at a practical level. Time and again Gates has shown the facility for perceiving opportunities that are invisible to others. When Paul Allen showed Gates a magazine article about the Altair 8800 personal computer in 1974, he was among the first to envision the potential for a software revolution. More important, he was the first to immediately and decisively act upon this insight by quickly developing an operating system.

A second attribute is seeing the big picture. Whereas most of his competitors were focused on selling software, Gate's higher focus was on setting standards and building a business infrastructure that would facilitate Microsoft's rapid growth in and dominance of the market. And Gates sees a bigger picture than even the biggest of business visionaries. When he negotiated a nonexclusive license of his operating system with IBM, he foresaw a world dominated by software that was beyond the pale of IBM's hardware-driven perception.

Third, unlike many visionaries, Gates insists upon a disciplined and systematic approach to developing business vision. This includes the use of such analytical devices as "opportunity maps" to create a visual picture of business opportunities.

Fourth, Gates has done an outstanding job of inculcating a shared vision at Microsoft. People at Microsoft believe that their vision and strategy will foster long-term market domination, in no small part because they believe that they are smarter than the people at competing firms.

Finally, Gates knows when the vision must be modified, as in the 1995 about-face on Internet strategy. More recently, he and Microsoft CEO Steve Ballmer realized that the long-standing vision of a personal computer on every desk is now nearly fulfilled, and developed a new vision: Empower people through great software – anytime, anyplace, and on any device. That vision is now starting to come into focus in terms of practical application.

### **USE THE THREE KEY MENTAL RESOURCES OF VISION**

Gandalf shared with Elrond the vision of a world in which Sauron was overthrown and Aragorn presided over a new age of peace and prosperity. So powerful was that vision that it created a sense of inevitable destiny, what I call a *memory of the future*.

One of the distinguishing characteristics of highly effective leaders is that they are able to “see” the future more clearly and at a greater distance than others. It is a capacity many of us were born with but have had extinguished as first parents and then schoolteachers, and later employers, squeezed us into conventional belief boxes. Fortunately, the power of future vision can be cultivated by exercising the three key mental resources of attention, imagination and belief.

**Attention:** One of the most important choices we each make on a moment-to-moment basis is what we pay attention to. Indeed, the precious and irreplaceable nature of attention is what underlies the phrase “pay attention,” because you can only spend each moment’s attention once. Gandalf was a master at selecting the best people for each mission, at building complex alliances and at anticipating future events because he was so careful about paying attention to the people and the world around him.

**Imagination:** Many of us misuse our imagination by giving in to worry (imagining an undesirable future we are powerless to prevent) and fantasy (imagining a magnificent

future we have no intention of working to bring about). Denethor's downfall as the last steward of Gondor was largely caused by the fact that his imagination was mired in dark nightmares of a world dominated by Sauron. Boromir's failure resulted from his fantasy that he could wrench the Ring of Power to his control. Gandalf, on the other hand, constantly employed imagination to guide him toward the action steps that would bring about the world of which he dreamed.

**Belief:** We've all heard the old saw, "I'll believe it when I see it." But reverse the old saying and you get, "I'll see it when I believe it" – a much more powerful phrase. No matter how dark the days, Gandalf never ceased to believe in himself, in this team and their cause, and in the future they toiled to create. One of the leader's chief duties is to continuously fan the flames of his or her own belief, and then to spread the fire to other members of the team.

### **GOALS ARE THE STEPPING-STONES TO DREAM FULFILLMENT**

In his own mind, Aragorn's destiny was laid out like a memory of the future. The sword that was broken would be reforged, the dark lord Sauron would be vanquished, Aragorn would take his rightful seat on the long-vacant throne of Elendil and the elven princess Arwen would become his queen. But he also knew the ultimate dream would be fulfilled only after the accomplishment of many intermediate steps, most of which could not yet be foreseen.

When we held the first Never Fear, Never Quit conference in 1996, our closing speaker was Mark Victor Hansen. At the time, the *Chicken Soup for the Soul* book series that Mark co-authored with Jack Canfield had just crested at 2 million copies sold, and had staked out a position on *The New York Times* best-seller list. Even so, when Mark announced that he and Jack were determined to sell 500 million *Chicken Soup* books, most listeners assumed this was just one of the motivational techniques Mark uses so well to encourage his listeners to stretch their vision of what is possible. Less than five years, Mark and Jack were closing in on

100 million books sold, and the organization they've created to continue producing and promoting new *Chicken Soup* titles will virtually assure that they surpass the 500 million goal. How did they do it?

Like Aragorn, Mark and Jack have a long-term goal. Also like Aragorn, they consistently set shorter-range objectives that move them closer to the fulfillment of their goal. For Aragorn, that included helping Frodo reach Rivendell. For Mark and Jack, it means committing to doing radio interviews every day. The vast stretch between the short-term objectives and the long-term goal is an unexplored adventure waiting to happen.

Here's another important point: Consistency builds and sustains momentum. Aragorn didn't chase orcs in the wild only on days he felt like it, and he never let up when to all outside appearances he must have seemed more like Don Quixote tilting at windmills than the heir of Elendil pursuing a kingship. His dream never died, but more important, his will to pursue the dream never dissipated. Like the *Chicken Soup for the Soul* authors, Aragorn was willing to draw satisfaction from the small daily progress he made toward the eventual achievement of magnificent goals.

### **COUPLE "IMPOSSIBLE" GOALS WITH "IMPOSSIBLE" DEADLINES**

At times it must have seemed to Frodo that he had taken upon himself a doubly impossible quest: the "impossible" goal of sneaking into Mordor to destroy the Ring with the "impossible" deadline of doing it before Sauron could strike a deadly blow at the West. Yet this very coupling of a seemingly unattainable goal with an equally unachievable deadline created a level of commitment and sense of urgency that were instrumental in the ultimate success.

In 1985, Rotary International took on the "impossible" goal of eradicating the disease of polio, with the "impossible" deadline of doing it by the year 2005. In 1988, an estimated 350,000 people contracted polio around the world. By the year 2000, this had been reduced by 99 percent, to fewer than 3,500 cases worldwide.

The Western Hemisphere was certified as being polio-free in 1994. To date, Rotary's PolioPlus program has raised over \$400 million and vaccinated nearly two billion children. During World War II, the Sea Bees famously said that the difficult they accomplished immediately, while the impossible took a bit longer. That's the philosophy adopted by Rotary, and one that will help you achieve success.

### **SEE THE WORLD AS IT REALLY IS**

Gandalf was the quintessential optimist. No matter how tough the situation seemed to be, he could always find reason for hope. Gandalf could also be quite a pessimist; he always had an eye on the worst-case scenario. And he was not at all reluctant to bring grim tidings to those who would rather not hear them, which is why he earned the name "Stormcrow" in the court of Theoden. Gandalf knew that hope was a necessary but not sufficient condition for victory. He appreciated that wishful thinking is hoping for something and waiting for it to happen, but positive thinking is expecting something and working for it to happen. Above all, he had mastered the Law of Reality: See the world as it really is, not as it used to be, as you wish it were or as you fear it might become.

Perhaps no one has ever more eloquently elaborated the benefits of seeing the world as it really is than the stoic philosopher Epictetus. Were he sitting here today, Epictetus would advise you to first have a realistic awareness of yourself – your strengths and weaknesses, your authentic dreams and desires and your power of character. This should be independent of concern for fame and fortune or the opinions of others.

Second, he would tell you to make a realistic appraisal of the world outside – as it really is, undistorted by your fears and wishes. Third, he would advise you to clearly understand what you can control (your own attitudes and choices) and what you cannot control (the opinions of others and the wheel of fortune).

Finally, he would tell you to be very clear and realistic about what you must do, the price you must pay and the trade-offs you

must make in order to achieve what you want in life (Sharon Lebell, *The Art of Living*).

Epictetus would tell you to be an objective observer. This discipline is important for your success and happiness as an individual, and essential for your effectiveness as a leader. The enemies of clear thinking and the reality-based vision upon which it depends are many, and include wishful thinking, false modesty, the blame game, victim syndrome, learned helplessness, emotional projection and low self-esteem. The leader's first responsibility is to counteract these negative and distorting influences in him- or herself. The second is to help other members of the team see the world as it really is and respond to that world appropriately.

### **ASK DUMB QUESTIONS**

Gandalf was a master of asking questions, including seemingly dumb ones. Why not entrust the Ring of Power upon which the future of Middle-earth would depend to a weak little hobbit instead of a strong army? Why not send the Ring off to its destruction instead of putting it on his own finger, thereby becoming more powerful than Sauron himself?

Some of the greatest inventions, intellectual breakthroughs and business innovations in history have come when someone asked how, why or why not about something that everyone else considered to be self-evident, and came up with a surprisingly new answer. Velcro, sliced bread, the theory of relativity, open book management -- the list of discoveries and innovations that began with someone challenging conventional wisdom is endless.

In our culture we do not place a premium on looking dumb. Quite to the contrary, we tend to honor and reward intelligence and knowledge. Unfortunately, when the intelligent, knowledgeable person begins to believe his or her own press clippings, it can lead to some pretty dumb decisions. People who think they already know the answers rarely ask dumb questions. Understanding is the ultimate reward of asking dumb questions and then listening with an open mind for the answers.

### **ASK PENETRATING QUESTIONS**

The members of the Fellowship of the Ring were faced with a crucial decision: Should they head directly for Mordor to destroy the Ring, as was their original charge, or should they detour by way of Minas Tirith and hide the Ring behind its fortified walls? Frodo asked for some time alone to think about it. When he did not return, his companions ran off in every direction looking for him. Sam Gamgee asked himself a series of questions, from which he deduced that Frodo had slipped down to their boats, intent upon going to Mordor on his own. Sam raced to the river, arriving just in time to go with Frodo on the trek into the dark lands.

In 1995, Ken Kannappan joined the Plantronics Corporation, which produces telephone headsets, as a sales manager. He was promoted to the CEO position in 1998. One of the first things he did was ask his people to consider the following question:

1. What are we really good at?
2. Where will the greatest market opportunities be in the future?
3. How will we redirect our strengths to be positioned for these opportunities?

Plantronics' greatest strength was creating headsets for hands-free communications, what Kannappan calls "the last inch" between the telephone network and the person. The biggest market opportunity was projected to be in the consumer market, facilitated by the rapid evolution of cellular technology. Up until that time, however, virtually all of Plantronics' business was with corporate call centers. In order to be a player in the new market, Plantronics had to develop, package and promote products for end consumers.

The challenge and the vision ignited the company. When Ken joined, Plantronics was growing at less than 10 percent per year, exclusively in the business market. Today, the company is growing more than twice as fast, and has added more than one hundred new consumer channels. The stock price has increased tenfold. Employee surveys show that 96 percent of staff are highly

satisfied with their jobs, and 98 percent have an optimistic view of the company's future. And it all began with the asking of three penetrating questions.

### **THINK LONG, ACT FAST**

Not long after Merry and Pippin escaped from the orcs into Fangorn Forest, they encountered Treebeard, oldest of the Ents, the tree herders of Fangorn. Treebeard told the hobbits that he had long been fretting over what to do about Saruman, who from his tower at Isengard was sending forth patrols of orcs to chop down and burn trees. In a moment of anger, his big voice boomed out that he would stop Saruman, and that Pippin and Merry would help him do it. But then Treebeard said he was being too hasty, that he needed to cool down and think things over. Treebeard and the Ents took several days to consider the facts, but then they reached their decision quickly: Isengard must be destroyed. The hobbits were astounded at the sudden change in the Ents, and how quickly they moved from thinking to action once a decision had been reached.

Microsoft shocked the world when the company, seemingly in the blink of an eye, did a U-turn on its Internet strategy. One day the company's position was that the Internet would be a sideshow not particularly relevant to Microsoft's core business, and the next it was marching toward the Web the way the Ents descended upon Isengard.

Despite its apparent speed, the Microsoft action, like the Ents' decision to attack Isengard, was the natural last step in a long process. Bill Gates did not wake up one morning with a sudden and unheralded epiphany that the Internet was the future; rather, it was a rapid coalescing of many years of watching, listening, analyzing and thinking. It's the difference between gut feel and intuition. Gut feel is an emotional reaction, the direction of which is primarily determined by inner conditions – ego, emotion and ambition.

Intuition, on the other hand, is the sudden gelling of an inchoate potpourri of facts and figures, observations and opinions into a coherent picture that prescribes a certain course of action.

Unlike gut feel, intuition is outer-directed, operating independent of – and often in contradiction to – inner-directed feel of the gut. Wise leaders learn to distinguish between gut and intuition, and to distrust the former and trust the latter.

### **DIALOG TOWARD CLEAR EXPECTATIONS**

Gandalf traveled far and risked much to learn the true nature of the Ring that Bilbo had acquired from Gollum and then passed on to Frodo. Once he had confirmed that Frodo did indeed possess the One Ring of Power, the wizard had to talk with the hobbit. In the course of that conversation, Gandalf and Frodo came to a common understanding regarding their future course of action. In his inimitable way, Gandalf gave Frodo a choice in which he knew, and Frodo knew, there could be only one decision: that Frodo would leave the Shire with the Ring.

In *Hope Is Not a Method*, which describes lessons that business leaders can learn from the U.s. Army, Gordon Sullivan and Michael Harper wrote that leaders don't just give an order and walk away, but rather they establish mutual expectations through a dialog. When Gandalf and Frodo began their conversation, neither had a clear idea of what needed to be done. But in the course of their dialog, they established not only that Frodo had to leave the Shire with the Ring, but also when and how he had to do so. That is how effective leaders both establish appropriate goals and accomplish buy-in for their achievement.

### **SET MEASURABLE GOALS AND REWARD PERFORMANCE**

When Gandalf sent Bilbo and the dwarves off on their “adventure,” the charge was very simple: Slay Smaug the dragon and restore to the dwarves their kingdom under the mountain. The reward for achieving this goal was also clear: Any recovered treasure was to be divided evenly among surviving adventurers. Modern-day experts would give Gandalf an A-plus for his motivational savvy.

When I was Chief Operating Officer for Baystate Medical Center in Springfield, Massachusetts, one of my fellow executives

earned the same A-plus. Thom Greenlaw was then Director of Environmental Service. (He has since become Business Manager of the Buckingham Browne & Nichols School and also serves as Executive Director for the National Environmental Management Association.) In response to an organization-wide initiative to enhance patient satisfaction, Thom had his staff conduct a survey of patients and staff regarding perceived facility cleanliness. The overall score was 70 percent – a C-minus, at best.

Thom presented his department with a challenge. He would host an ice cream party for every team that achieved a score of 90 percent or better. A departmental training program was instituted, quality discussion groups were established and the process for patient room cleaning was reorganized to give one person ownership for the outcome. Within a month, the first team hit the target, and within several months, ice cream parties were a regular occurrence. The stakes were raised to a pizza party for a score of 92 percent, and then to a steak dinner for a score of 95 percent. At the annual Housekeepers' Week celebration that year, the audience literally went wild when the winner of the departmental quality award was announced.

Of course, people weren't working so hard and getting so emotionally involved for an ice cream cone and a few slices of pizza. What motivated the housekeeping staff was being made part of a team that was pursuing a clear and important goal, given considerable voice in determining how that goal was to be achieved, and was then honored with a victory celebration once the goal was achieved.

### **YOU'VE GOT TO REPEAT, REINFORCE, AND REPEAT SOME MORE**

Aragorn frequently repeated the claim that he was the heir of Elendil and possessor of the sword that was broken, all toward the end of creating a shared vision and a sense of destiny. He understood that people (as well as dwarves, elves and hobbits) tend to have short memories, and that a vision must be reinforced with frequent repetition.

In his 1757 publication *Reveries Upon the Art of War*, Marshall Maurice de Saxe wrote: “The courage of the troops must be reborn daily . . . nothing is so variable [morale and motivation, and] the true skill of the general consists in knowing how to guarantee it.” Jack Welch, former CEO of General Electric, knew how to guarantee it in today’s turbulent, insecure and hyper-competitive environment: “In leadership, you have to exaggerate every statement you make. You’ve got to repeat it a thousand times and exaggerate it” (quoted in *Lessons from the Top* by Thomas Neff and James Citrin).

### **AUDACITY OUTPERFORMS TIMIDITY**

As he was planning his final campaign of the Civil War, William Tecumseh Sherman wrote: “I think the time has come now when we should attempt the boldest moves, and my experience is that they are easier of execution than more timid ones.” Gandalf likewise knew that audacious moves are often more likely to succeed than timid ones. Sending Frodo off to Mordor to destroy the Ring, galvanizing the Riders of Rohan and the Ents of Fangorn for war against Saruman and assaulting the gates of Mordor with a small force were bold moves, but their very audacity contributed to their stunning success.

One of the characteristics displayed by many of the visionary companies described by James Collins and Jerry Porras in *Built to Last* is a tendency to set “big hairy audacious goals.” Robert W. Lane became Chairman and CEO of Deere & Company in late 2000. One of his watchwords has been “double and double again.” He wants to double sales, double the company’s market valuation, double the customer’s experience – and then double them all again. This audacious goal is causing people throughout the organization to raise their sights and their standards. Tomorrow’s reality begins with today’s vision. Audacious goals are one of the leader’s most important tools for building a magnificent future.

**DON'T LOOK TOO FAR AHEAD  
IN TIMES OF TROUBLE**

When Merry asked Gandalf where they would go after they had crossed the Misty Mountains, the wizard replied that they should not look too far ahead. In sharing this wisdom, Gandalf was in good company. Winston Churchill once remarked that the chain of destiny was forged one link at a time. Similarly, Abraham Lincoln said that the good thing about the future was that it comes only one day at a time.

Frodo found courage by focusing his attention on the tasks required by the present and not allowing it to drift off to the fears of the future. I've spoken with many successful entrepreneurs who have said much the same thing: If they had appreciated how risky and difficult the endeavor would be at the outset, they might have settled for a "real job," instead. Sometimes it's best not to know the full extent of the difficulties that lie ahead. Part of the art of leadership is knowing when such full disclosure would be counterproductive.

**ACCEPT THAT YOU CAN NEVER SEE  
THE WHOLE PICTURE**

Not even Gandalf, for all his powers of wizardry, could know everything. He agonized over whether Frodo and Sam were safe on their trek through Mordor, about what Saruman really knew concerning the Ring and about the designs of the dark lord. In many cases, the actual situation was far better than the portrait painted by his anxiety.

As a leader, you must be willing to make decisions without all the information you would like to have, and to make your moves even without knowing where other players are positioned on the board.

## **WATCH FOR OPPORTUNITIES WHEN WALLS COME DOWN**

Some of the greatest opportunities arise when previously impermeable barriers come down. After the Ents tore down the walls of Isengard, the entirety of Saruman's former domain was opened up to reforestation. When the War of the Ring ended with Sauron's downfall, out of the dark lord's old realm Aragorn created a new principality to be ruled by Faramir.

Ron Evans is currently dean of the school of hotel and restaurant management at Northern Arizona University. From 1979 to 1997 he was CEO of Best Western Inns, where his top priority was making Best Western more of an international company. When he started, the company had 1,700 hotels in seven countries; when he left, it had some 4,000 hotels in eighty countries. The company's growth really took off after the Berlin Wall came down. Best Western was able to capitalize on this change so successfully because Evans and his team had long been positioning the company to be a global player. After the Wall came down, they were prepared to capitalize on opportunities in Eastern Europe and moved quickly to accomplish their goals.

Not all walls are physical. Some of the most constrictive walls are in the mind: When someone, for example, conquers fear of failure (or fear of success), it can open up previously unimaginable opportunities. When the walls come down, you must have the courage to step through the breach and be ready to actually do so, because the walls can go back up almost as quickly as they came down.

## **VISION BECOMES DESTINY**

When it became clear that the only way to save Middle-earth from Sauron would be to destroy the Ring, Frodo told the Council of Elrond that he would bear the burden, even though he did not know to where it had to be taken. Elrond replied that Frodo was meant to be the Ring-bearer, and if he couldn't find a way, then no one could. Frodo never really believed that he had, of a free will,

decided to take the Ring to Mordor. There were a million things he would rather have been doing than risking his life and those of his dearest friends. Instead, he agreed with Elrond that it was his destiny to be the Ring-bearer.

The leader who truly believes that he or she is acting in accord with a bigger plan and that, no matter what obstacles are encountered, a way will be found or a way will be made to overcome them is in possession of an extraordinarily powerful resource. The leader who is certain of success is willing to take risks that others would consider insurmountable, but which the true leader recognizes as simply a necessary step along the road to success.

In *Failure Is Not an Option*, Lorraine Spurge tells the story of how MCI broke the AT&T telephone monopoly. Even in the darkest days of their litigation with AT&T, even when they had to lay off a third of their workforce, even when their copy machines were repossessed for nonpayment, founder William McGowan and his colleagues never lost faith in their mission – not just to build a great company, but to revolutionize an entire industry.

Failure was not an option because, in the mind of McGowan and his colleagues, their success had been preordained. Their task was to find the way to achieve that success. When dreams are so tangible that they become memories of the future, the leader's job becomes to find a way to carve the dream out of the future and make it real in the present.

## THE 12 KEYS TO

**Vision**

1. Present awareness lays the foundation for future vision, so pay attention.
2. Don't waste your imagination on worry and fantasy; instead, exercise it and employ it to create the vision of the future you want to create and are willing to work to achieve.
3. You'll see it when you believe it, so fan the fires of your own belief and then ignite belief in others.
4. Short-term goals are the stepping-stones that lead to the ultimate realization of your greatest dreams.
5. See the world as it really is, not as it used to be, as you wish it were or as you fear it might become.
6. Ask questions, even seemingly dumb ones, then listen to the answers with an open mind.
7. Questions are more important than answers, so ask penetrating questions that lead to creative responses.
8. Use interactive dialogue to establish expectations of what individual team members must accomplish to contribute to overall success.
9. Set measurable goals and recognize progress toward their achievement.
10. Be alert for opportunities to pursue your vision when obstacles unexpectedly disappear.
11. Don't look too far ahead when times are troubled.
12. Believe in your vision and it will become your destiny.

## LESSON

## 5

## MISSION

*There seemed to be no end to Gandalf's interests and talents – yet for all this, he was incredibly focused on two goals: the destruction of the One Ring of Power and the coronation of Aragorn as King of Gondor. All his diverse abilities he bent to these ends.*

Nothing magnificent has ever been accomplished by someone who was simply carrying out the requirements of a job description. Great things are achieved only by people whose mission it is to see them achieved. Great leaders are those who can instill this sense of mission in others. Frodo had a mission: to convey the One Ring into Mordor to be destroyed in the fires of Mount Doom. But Frodo would have failed had Sam not also made it his mission to see him safely to Mount Doom and back again.

## LEADER FOR MISSION

### Tom Peters

At the outset of *The Hobbit*, Bilbo Baggins was a minor participant in an adventure to slay Smaug the dragon and restore the dwarves to their kingdom under the mountain. By the end of the book Bilbo had, more than any of the participating dwarves, made it his mission to see this quest through, whatever the cost to him personally. His mission culminated in his courageous action of handing over the Arkenstone to Bard.

Tom Peters was co-author (with Bob Waterman) of *In Search of Excellence*, one of the most influential business books of all time. Based upon the success of that book, Peters could have become a high-priced corporate consultant. Instead, he became a crusader for humanizing the workplace and an apostle of entrepreneurship. Most recently, Peters has launched “a movement to make work matter.”

Peters himself provides a role model for anyone who would prefer to work on a mission, and not merely have a job. One of his most notable characteristics is that he brings an overwhelming passion to his calling. He yells and screams at his white-collar audiences, makes seemingly outrageous predictions that almost all middle-management jobs (including probably yours) will go away and even wears baseball caps with a big red exclamation point. Whether or not you agree with him, he will get your attention.

From Steve Jobs to Mother Teresa, one thing that distinguishes mission-driven people is the way they stand out from the crowd. Peters calls this defining “the brand of you.” Determine what it is that makes you special, cultivate those attributes and then promote them – aggressively and shamelessly. A key element of personal differentiation is self-empowerment. As Peters puts it, you are only powerless if you think you are. People who choose to see their work as a mission are willing to stick their necks out by taking the risks necessary to achieve their goals. As a friend of mine puts it, they proceed until apprehended.

It is one of the leader’s chief duties, Peters says, to “humanize the enterprise” by creating the type of environment in

which people can believe that their work matters, and will be proud to boast about the job they do and the company they work for. There is an inevitable causal relationship between managers who use principles descended from Frederick Taylor that are intended to transform people into commoditized cogs in the machine and workers who see their jobs as a necessary evil and lionize Dilbert, the quintessential non-missionary corporate drone. Peters has made it his mission to combat this dehumanization of the workplace.

### **DONT' DABBLE, DIVE IN**

Aragorn was destined to become king, but he didn't sit around waiting for it to happen. He spent nearly four decades preparing for and immersing himself in every facet of leadership. As a Ranger, he traveled the lands he would one day rule, becoming familiar with paths rarely ventured by others. He learned the ways of a warrior, and spent much of his time protecting defenseless races like the hobbits from the evil reach of Mordor. In the process, Aragorn came to know much about his future subjects and the ways of his enemies. Through it all, he never held back or flinched in the face of great personal danger. Aragorn didn't dabble at being heir to the throne, he dove in and tackled the job with relentless zeal. That is one of the defining characteristics of the best leaders in every walk of life.

As a leader you must understand that people on your team are unlikely to sustain a level of commitment and enthusiasm that is higher than yours, nor are they likely to dive in any deeper than you do. So don't dabble. Dive in!

### **MASTER THE DETAILS**

Gandalf had incredible responsibilities: counselor to the rulers of Middle-earth, protector of hobbits and other simple fold, and many others. To help him accomplish all this work, he had a staff of . . . exactly zero. Although he was liberal in asking for help when he

needed it, Gandalf himself had to master the details before he knew what to ask for, and whom to ask.

Anyone who purchases a McDonald's franchise must attend Hamburger University. Here franchisees learn how to run the business from the floor tiles up. Every detail is covered, from sanitation to cooking to customer service.

I had my first real job (other than cutting grass and sacking groceries for tips) at a McDonald's in Middletown, Rhode Island, back in 1968. The same person taught me how to flip and wrap hamburgers, polish chrome, police the parking lots and greet customers at the cash register: the owner. He had an assistant manager, but in our daily operations no detail slipped his attention. The people at that McDonald's formed one of the best-run, highest-performing operating teams I have ever been a part of.

In *Recapturing the Spirit of Enterprise*, George Gilder argues that mastering detail is the bedrock of entrepreneurial success:

Wealth usually comes from doing what other people consider insufferably boring .... Most people think they are above learning the gritty and relentless details of life that allow the creation of great wealth. They leave it to the experts. But in general you join the [wealthiest people in America] not by leaving it to the experts but by creating new expertise, not by knowing what the experts know but by learning what they think is beneath them.

Gandalf spent countless hours pouring through the archive of Gondor, and many unpleasant days interrogating Gollum, in order to learn every last thing he could about the Ring. Without this attention to detail, he might have discovered too late the terrible danger it posed. On more than one occasion, it was Gandalf's willingness to sweat the details that spelled the difference between victory and defeat.

### **MOTIVATE WITH WHAT MOTIVATES**

Gandalf wanted to rid the world of Smaug, the fire-breathing, man-eating dragon, and he needed help doing it. He did not, however, try to build a team by offering prospective members the chance to

create a safer world, which is what motivated him. Instead, he promised the dwarves gold and treasure, and the return of their lost kingdom, because he knew that is what moved them. Bilbo, he knew, would not be excited by the prospect of distant treasure dangerously won, so Gandalf promised him adventure and the chance to earn the respect of others.

Napoleon was a master at knowing how to motivate people by offering them something that was truly motivating. Early in his career, when he led his first army on a campaign into Italy, his men were starving. Gain me a victory, he promised them, and I will feed you from the stores of our enemy. They prevailed and he delivered. In the later years of his reign, when his armies had been consistently victorious and were not longer hungry, he used medals and honors to push his men to heroic valor.

There has been a great deal of research about what motivates people. Money very rarely makes it to the top three of any list. Brilliant leaders are perceptive to what their people really want, and ingenious in finding ways to give it to them so as to motivate them to superior performance.

### **START WITH DIVERSITY, BUILD COMMUNITY**

Long before it was widely acknowledged as an important issue for corporations and for society at large, Tolkien understood that cultural diversity is important not only for the sake of equity, but also for a teams effectiveness. The Fellowship of the Ring was composed of a wizard, four hobbits, two men, a dwarf and an elf. It was not easy to build a team from these individual members. Hobbits tended to be very clannish, and since before memory dwarves and elves had deeply mistrusted each other.

The Fellowship's diversity, however, created significant benefits. Most obvious was the fact that each participant brought a distinct bank of knowledge and set of skills. Members of the Fellowship learned from each other, entertained each other and defended each other in ways that would not have been possible with a more homogeneous team.

Anyone seeking to build a culturally diverse team can learn from Gandalf's approach to building the Fellowship. Despite his own enormous power and prestige, Gandalf never looked down on anyone. He delighted in spending time with, learning from and protecting the hobbits, who many others considered to be insignificant, if not ridiculous, little creatures. Gandalf's faith was rewarded with results that might have stunned his more arrogant peers.

One of the things that made the Fellowship such a formidable team is that somewhere along the path it made the transition from diversity to community. It was characterized by a mutual respect for one another's differences that grew into genuine friendship and love. These qualities in turn nurtured a heightened sense of loyalty and duty. By story's end, any member of the Fellowship would have willingly died for any other. Boromir did die defending the hobbits, and all of the others on more than one occasion put themselves in danger to help their friends.

### **EXCHANGE THE SPOTLIGHT FOR A FLOODLIGHT**

In *Sacred Hoops*, Phil Jackson, former coach of the Chicago Bulls, describes how the Bulls evolved from the one-man Michael Jordan show of the late 1980s into the dominant NBA team of the 1990s. The process began when Jackson told Jordan that the sign of a great player was not how many points he personally scored, but rather how much he contributed to elevating the performance of every player on the team. Together, they implemented a new offense that gave other players more scoring opportunities. The rest, as they say, is history. Jordan proved not only to be one of the greatest players in the history of the game, but also emerged as a real leader who helped his teammates be leaders, not just the supporting cast on his show.

Gandalf was intimate with the great and powerful of Tolkien's Middle-earth. At one time or another, he was a trusted counselor to Aragorn, Theoden and Denethor – the great kings of men; and to Celeborn, Galadriel and Elrond – the ageless lords of the elves. In any quest, he had his pick of the Michael Jordans of

Middle-earth. Yet he knew a handful of superstars would not prevail in the struggles to come. He therefore spent an extravagant amount of time teaching “small” players like the hobbits, who otherwise would have sat out the game, the skills of being winners. Each in his turn, Bilbo, Frodo and Gandalf’s other proteges, stepped up at clutch time and made a big play.

Robert Townsend, author of *Further Up the Organization*, wrote about how he spread the limelight when he was at American Express by allowing subordinates great latitude to negotiate deals, and then to report their successes to the board in person. In addition to the chance to broaden their skills and gain recognition from top management, Townsend says, “they started using 80 percent of their abilities instead of the normal 20 percent (in poorly managed companies), and they had more fun. Pretty soon they got promotions – most of which would not have occurred had he tried to hog the spotlight.

### **FOSTER AN ALL-OR-NONE TEAM ATTITUDE**

In their frenzied escape from the cave of the goblins, the dwarves left Bilbo behind. Once they were outside and safe, an argument ensued as to whether they should now go back and look for him. Gandalf replied angrily that if the dwarves didn’t help him find Bilbo, he would leave them to fend for themselves, but if they did find the hobbit, they would someday be glad for it.

Unbeknownst to the group, Bilbo had been hiding nearby, listening in on the argument. Gandalf’s words, and the uncompromising sense of loyalty that lay behind them, clearly affected him. Later, when all but Bilbo were being held in the elven dungeons, the hobbit was able to get the key to unlock their cells. He devised an escape plan in which the dwarves would hide inside empty barrels that would then be shoved into the river so they could float surreptitiously past the watergate. But several dwarves were unwilling to go along with his plan. Like Gandalf before him, Bilbo grew angry and told the dwarves that they must all escape together or no one would. The dwarves grumbled, then allowed Bilbo to stuff them into the barrels.

In *The Wisdom of Teams*, Jon R. Katzenbach and Douglas K. Smith wrote that there are two things effective team leaders never do:

1. They do not blame or allow specific individuals to fail.
2. They never excuse away shortfalls in team performance.

In other words, they cultivate an “all-or-none” team attitude. “Unfortunately,” the authors say, “organizations built on individual instead of mutual accountability often foster the reverse. Too often, when expected results do not materialize, individuals get singled out for blame .... By contrast, real team leaders believe that success or failure is a team event. No outside obstacle is an excuse for team failure, and no individuals fail. Only the team can fail.” It was Bilbo’s intuitive understanding of this wisdom that propelled his team on to success. The same is true of every leader of a high-performance team.

### **UNCHAIN PEOPLE FROM JOB DESCRIPTIONS**

When Gandalf sent Bilbo and the dwarves off to vanquish Smaug, he did not give each of them a job description. Even so, the dragon was slain and the treasure recovered. Nor did Elrond, lord of the elves, give job descriptions to members of the Fellowship of the Ring. Even so, Frodo and Sam found their way into Mordor and destroyed the Ring. Job descriptions, no matter how broadly worded, would have restricted their latitude for action. At different times, leadership shifted from Gandalf to Aragorn to Frodo, and even to Sam. What if only Gandalf’s job description had included “leading the team” under the heading of duties?

A massive research project by the Gallup organization (documented in *First, Break All the Rules* by Marcus Buckingham and Curt Coffman and *Now, Discover Your Strengths* by Buckingham and Donald O. Clifton) concluded that of workers in the large organizations they surveyed, only about 20 percent felt they were really able to utilize their greatest strengths at work on a regular basis. Twenty percent! Think of the lost potential!

Why don't organizations do a better job of capitalizing on their people's strengths? One of the main reasons is that they force-fit people – with their infinite variety of strengths, talents and interests – into all-too-finite job descriptions. Then, rather than focusing on the strengths that make the individual unique and that can add enormous value to the organization, training and supervisory resources are devoted to patching up weaknesses in an attempt to bring people up to the minimum requirements of their job description. I often hear managers talk about how they're trying to get people to think outside of the box. Don't they realize that they're the ones who put people into the box to begin with – the box of the job description?

A job description can be a disempowering and counterproductive management tool. It unwittingly deprives organizations of people's best thinking, creativity and emotional fire by putting them into pigeonholes that severely limit their potential for contribution. For many individual employees, job descriptions create a comfort zone that fosters complacency and inertia.

### **NO MISSION, NO MARGIN**

In the end, the hobbits who helped Gandalf were amply rewarded, both materially and spiritually. But none of them began with the hope of personal gain. It was the sense of personal mission, pure and simple.

Hospital administrators use the aphorism “No Margin, No Mission” to remind people that even hospitals need to earn more than they spend or they will go out of business. The aphorism is also, however, true in reverse: “No Mission, No Margin.”

In healthcare, the pendulum has swung too far. Many hospitals are now run with an excessive focus on the bottom line, and many healthcare workers labor with excessive concern for their next pay raise. Corporations like Southwest Airlines and Cisco are infused with a greater spirit of mission than many hospitals, which should not be the case.

The solution to the “healthcare crisis” will not be found in more hospital downsizing, managed care programs that limit access to healthcare or in ever more ponderous government regulation, but rather in recapturing the fire of mission that once animated the healing professions. Among the most important responsibilities that leaders have in hospitals, as in every other organization, are:

- To galvanize zeal for the mission;
- To instill the faith that when mission is accomplished, margin will follow; and
- To establish gain-sharing mechanisms that give people the incentive to pursue a mission instead of just having a job.

### **MISSIONS ARE BASED ON TRUST**

Trust is to an organization as gravity is to our planet: It holds everything together. The importance, the power and the fragility of trust are leitmotifs throughout Tolkien’s work. In the Quest to destroy the Ring, the trust that developed among members of the Fellowship is a weapon more powerful than the sharpest sword. By contrast, the powers of darkness – both Sauron and Saruman – sought to achieve their goals by breeding mistrust. Rather than pulling Popeye in with the gravity of trust, they sought to imprison them through fear. In the end, the suspicious and mistrustful environments Sauron and Saruman cultivated contributed to their downfalls.

Trust is not easily won and cannot be mandated. When the hobbits first met Aragorn, then known to them only as Strider the ranger, they immediately distrusted the rough-looking stranger. They overcame their initial reluctance to include him in their group only after seeing a letter of introduction from Gandalf. In the days to come he demonstrated his commitment by sharing in their privations and putting himself in mortal danger to protect them. In so doing, he earned a trust that was total and absolute.

In *The Loyalty Effect*, Frederick Reichheld, a principal of the Bain consulting firm, states: “Every company falls on hard times now and then, and it’s the loyal devotion of key employees that

pulls most of them through. By showing people that the company won't stick by them in adversity, a firm can almost guarantee that the next time it's in trouble, its most talented employees will jump ship just when they're needed most."

When Aragorn told the four hobbits that he would put his life on the line to protect them, he conveyed to them that nothing would be more important than his self-assumed mission to protect them from harm. By demonstrating that commitment in the days to come, Aragorn earned their undying loyalty, and when he needed them most, the hobbits were there for him.

### **SHARE INFORMATION**

Gandalf was very open about sharing information with members of the Fellowship, and in trusting them to use it appropriately. It may seem paradoxical, but the more clearly Frodo and his companions understood the nature of the dangers they were walking into, the more resolute became their determination to see the Quest through to the end, or die in the attempt.

Jack Stack wrote in *The Great Game of Business*: "You will always be more successful in business by sharing information with the people you work with than by keeping them in the dark .... Don't use information to intimidate, control or manipulate people. Use it to teach people how to work together to achieve common goals and thereby gain control over their lives." Human nature dictates that people will trust you as a leader to the extent that you're willing to trust them as followers.

Stack and his team at the Springfield ReManufacturing Company, which pioneered open book management, have proven the point by growing profitably in a tough, competitive market. While many competitors suffered through wrenching layoffs and failure, Springfield ReManufacturing more than tripled the size of its workforce and launched a number of new business initiatives, some of which were conceptualized by employees who were empowered by their thorough grasp of key information.

### **UTILIZE THE POWER OF SYMBOLS**

In his quest to regain the throne of his ancestors, Aragorn was acutely aware of the power of symbols. Though it was useless in combat, he carried “the sword that was broken” as a symbol of his heritage. His simple Ranger’s cloak was a symbol of the trials and dangers he would endure to protect his subjects from evil. The flag with the white tree and seven stars that he carried into the climactic battle before the gates of Minas Tirith was a symbol that the King had returned.

People will impute a great deal of meaning to a symbol; leaders can use this fact to their advantage or ignore it at their peril. The Hewlett-Packard garage, the Berlin Wall, the Golden Arches, the Swoosh – each conveys a depth of meaning that goes beyond the symbol itself. Jeff Bezos used the homemade desk as a symbol to instill a sense of frugality at Amazon.com.

Mary Kay Ash used the bumblebee (which according to aerodynamic theory should not be able to fly) as a symbol to encourage her representatives to set and achieve “impossible” goals. Like Aragorn, these and other effective leaders consciously utilized the power of symbols to convey their corporate identity and goals.

### **BUILD A WINNER WITHOUT CREATING LOSERS**

Gandalf was a fierce competitor who was determined to win because the stakes were so high. Still, wherever possible he sought to win without turning opponents into losers. For example, after Saruman’s orc armies had been beaten and his fortress at Isengard destroyed, Gandalf worked to make Saruman an ally. He tried to convince his fellow wizard to renounce evil ambitions and join the forces arrayed against Sauron, later explaining that even after all the harm he had done, Saruman’s powers might still be useful against a greater enemy.

When Jeff Stroburg became CEO of West Central Cooperative in Iowa, there were three co-ops competing in the area’s propane and petroleum markets. As a result, there was

significant excess capacity, and everyone was losing, including customers. Stroburg was able to break through a long history of distrust among the three competitors and engineer the establishment of one gas company in which all three co-ops had ownership. As a result, customers got lower prices and shareholders earned higher returns. Stroburg said, “I love to win, but I hate to see someone else fail. This was a great way to have the one without the other. Zero-sum thinking is win-lose thinking. I’d rather make a bigger pie than fight for a bigger piece of a small pie.”

In recent years, the word “co-opetition” has emerged to describe situations where organizations compete in one arena and cooperate in another. In today’s complex and fast-changing world, yesterday’s competitor might be tomorrow’s customer, partner or owner. A great example of this is the emerging relationship between FedEx and the United States Postal Service. Smart leaders recognize that success in business is tough enough without creating new enemies.

And the surest way to create a new enemy is to make someone else fail en route to your success. One of the most successful business leaders in recent memory is Cisco CEO John Chambers. As David Bunnell writes in *Making the Cisco Connection*, Chambers is “willing to crush the competition, but [prefers] them to be friends.”

### **DON’T TAKE THE EASY PATH**

There were many paths leading into Mordor, but it would be hard to imagine one more arduous and physically demanding than that taken by Frodo and Sam. Of course, all the easier paths were more heavily traveled and well guarded. The difficult and dangerous nature of the path taken by the hobbits, though, had led Sauron to discount the possibility of an enemy approaching from that direction.

As military historian B.H. Liddell Hart pointed out in his classic book *Strategy*, the longest way around is often the shortest way home. From Hannibal’s passage of the Alps with his elephants to the allies’ end run around the Iraqi army in Desert

Storm, great commanders have understood the power of this dictum.

Though the examples are typically more subtle, Hart's principle often holds in the world of business as well. The U.S. Surgical Corporation did an end run on the suture industry and on gatekeepers in hospital purchasing departments when it gave doctors free surgical stapling guns, knowing that they would have only one source for ordering the staples to use in those guns. IBM took a huge risk when it introduced the 360 computer, which overnight made its entire installed base obsolete, since earlier computers could not be upgraded but only replaced. But taking this most difficult path laid the foundation for Big Blue's domination of the computer industry for decades to come.

### **BE FIRST IN ATTACK, LAST IN RETREAT**

When the Fellowship of the Ring was halted by snow at the treacherous mountain pass of Caradhras, the only path by which they could continue the Quest was through the Mines of Moria. Ages before, the dwarves had been chased from these deep caverns by an army of orcs, and by something even more ominous – a monstrous Balrog. With danger on their heels and trepidation before their feet, Gandalf led his team into the Mines and through its deep passageways.

When they were assaulted by orcs in the same chamber where years earlier the dwarves had made their last stand, Gandalf stayed behind to hold the attackers off while his team fled toward the gate. Though the effort exhausted him Gandalf was able to block the passageway behind them. He then led the company to the narrow bridge that was their sole chance of escape, only to be confronted by the Balrog itself coming up from the depths. Commanding the others to flee across the bridge to safety, Gandalf stood squarely in the middle, denying passage to the Balrog and his orc minions. His final act as leader of the Fellowship of the Ring was to sacrifice himself in order to save the others.

Shortly after becoming chairman of the Ford Motor Company, Bill Ford, Jr., made a trip to “the front.” As recounted in a *Fortune* magazine article, there had been an explosion at the

company's Rouge plant, killing six people and injuring several more. As the forty-two-year-old scion of the Ford family was leaving his office en route to the parking lot, his lieutenants tried to talk him out of making the trip. They had all sorts of reasons for wanting to insulate the boss from this disaster, but he was having none of it. Finally, one of them blurted out, "You don't understand. Generals don't go to the front."

As it turns out, Ford understood far better than his lieutenants did. Throughout history, the greatest generals have made it a point to be at the front: Alexander the great, Napoleon, Ulysses S. Grant, George Patton, Moshe Dayan – they all understood that when generals visit the front, two good things happen. First, the troops see that their leader is concerned; second, the leader gets a firsthand feel for what is really happening.

Ford, called "the antithesis of the Organization Man" by *Fortune*, showed up at a UAW negotiating session wearing the union's button that read BARGAINING FOR FAMILIES, explaining that he hated the traditional adversarial union-management relationship. Ford also raised eyebrows with his vocal support for environmental issues. Jerry Sullivan, president of UAW Local 600, says of Ford: "His concern for the people, for the community, for the environment – those are things you just don't see in an industrialist." They are, however, things you see in a real leader – a leader with a mission, a leader who is willing to be first in attack and last in retreat.

### **BE IN IT FOR THE LONG HAUL**

For nearly forty years, Aragorn served in his lonely and thankless role as a Ranger, sacrificing comfort and risking his life to protect hobbits and other simple folk, all of whom were for the most part unaware of his guardianship. Yet it was his time in the wild that toughened him for the final showdown, and prepared him for the responsibilities of kingship that would follow his victory.

John Wooden joined UCLA as head basketball coach in 1948. It would be sixteen years – all of them housed in what was known as "the B.O. Barn," which substituted for a proper

basketball facility – before Wooden’s UCLA team won the first of ten national titles between 1964 and 1975, an accomplishment that may well never be equaled. What would have happened if the UCLA administration had given up on Wooden, or if he had given up on himself, in 1963? After all, isn’t fifteen years enough time to see whether a coach has it in him to take a team all the way to the top?

In his book *Wooden* (with Steve Jamison), Coach Wooden said that character is more important to sustained success than athletic ability or coaching talent. “Character creates longevity ... When you read about an athlete or team that wins over and over and over, remind yourself, ‘More than ability, they have character.’” And what builds character? Commitment in the face of adversity. When you decide to go after something, make it a total commitment. Work through every setback and adversity. Love what you do and do it with love. Then be in it for the long haul.

### **WHEN IN DOUBT, GO FORWARD**

After Bilbo had become separated from his dwarf companions in the cave of the goblins, he wandered alone in the dark. He stopped to think for a bit, but could only think of how hungry and miserable he was. Then he considered his options. The way behind was blocked by goblins, and on both sides were the stone walls of the tunnel. His only option, Bilbo concluded, was to press on ahead.

Having a sense of mission may not prevent you from being hungry and miserable, nor will it relieve you of occasional doubt and anxiety. One thing it can do, however, is keep you from backsliding and waffling, and help you maintain forward momentum when the going gets tough. When I asked my ninety-four-year-old grandmother how she maintains her stamina and enthusiasm, she simply replied, “Keep moving!” That’s pretty good advice for all of us!

### **BUILD ALLIANCES**

When King Theoden marveled at the forest the Ents had shepherded into the valley below, which had overnight destroyed the orc army, Gandalf replied that the king had allies, even if he was unaware of them. The war against Sauron could not have been won by a single force. As with all great undertakings, it required an alliance. That's why Gandalf spent a great deal of his time building bridges – so when it came to the fight, the allies would all be there, fighting together.

Shortly before the stock market's big dot-com shakeout, I was speaking with the CEO of a high-flying Internet start-up, a well-known entrepreneur with a long and successful track record. The most important determinant of his company's success, he told me, would be the number and quality of the alliances its leaders were able to build across a broad spectrum of its marketplace. Their success at building those alliances was a significant factor in the company's surviving and rebounding from the shakeout. Especially in a future where "being connected" will be a key success factor in almost every industry, the ability to create and cultivate alliances is a vital leadership skill.

### **TAKE A RISK FOR YOUR PEOPLE**

When Theoden led his Riders into battle at Minas Tirith, he could not know whether he would survive, but he took the risk anyway. At Theoden's funeral, his Riders sang of how their king had ridden through his doubts and his fears, to rekindle their hope, and of how his death was a victory over dread and doom, over death itself.

In *The Art of the Leader*, William A. Cohen tells the story of how during World War II General Hoyt S. Vandenberg, who would later become Chief of Staff of the U.S. Air Force, visited an air base as bombers under his command were about to take off for a mission over Germany. A gunner from one of the flight crews was having a breakdown and refusing to go. Seeing the disturbance, General Vandenberg ran over and calmly told the gunner he could have the day off, that he – the commanding general – would take his place on that mission.

Imagine the impact this decision had on morale throughout the whole squadron! General Vandenberg returned safely that day, but it might not have been so – yet he went ahead in spite of the risk.

It was said of Spartan warriors that they did not ask how many the enemy were, but only where they were. I think most great leaders have that attitude. They look to what needs to be done, not to what might happen to them if they do it. They are willing to do the right thing for their mission and their people, even if it might involve making a sacrifice.

### **KNOW WHEN TO DESTROY SO YOU CAN CREATE**

Galadriel wanted nothing more than to remain in her beloved elven sanctuary of Lothlorien for all time, but she was willing to sacrifice even that if it was the price necessary for vanquishing Sauron and opening the way for a new age in Middle-earth. She appreciated that sometimes the old must be destroyed in order to make room for the new.

*In Creative Destruction: Why Companies That Are Built to Last Under-Perform the Market – and How to Successfully Transform Them*, Richard Foster and Sarah Kaplan make the case that many corporate leaders are using mental models which are out of sync with the reality of capital markets. Corporations, they say, are built on the assumption of continuity, with a focus on operational effectiveness. Capital markets, on the other hand, are built on the assumption of discontinuity, with a focus on a transfer of assets to increasingly more profitable uses.

In today's world, they say, companies should be “designed to change” rather than “built to last,” citing such examples as Intel moving out of its core DRAM business into semiconductors, and General Electric having dumped 117 different business units in the early years of Jack Welch's leadership. Organization must become less controlling, more empowering and willing to increase their rate of change. They conclude: “Companies unwilling or unable to play the game of creative destruction will inevitably be replaced. Like it

or not, the age of continuity is forever gone.” That was a paradox faced by Gandalf, Galadriel and the other leaders of Middle-earth: The surest way to secure long-term security was to tolerate a high level of short-term uncertainty and change.

## THE 12 KEYS TO

**Mission**

1. Pursue your work with a sense of mission rather than concern for wealth or prestige.
2. Dive into your work with passion and make it your special joy to master the details.
3. Empower yourself to perform at the highest levels of expectation and accountability.
4. Combine expertise, confidence and enthusiasm to build your own credibility and that of your teammates.
5. Assemble a heterogeneous team, then cultivate a strong sense of fellowship and community.
6. Build a winning team by teaching individual players the skills and attitudes for thinking and acting like winners.
7. Cultivate an all-or-none team mindset.
8. Think of creative ways that you can capitalize on the individual strengths of each team member, and not just on performance as defined by job descriptions.
9. Establish and sustain trust throughout the organization; share information on the mission with your people.
10. Be willing to take risks for your people.
11. Commit yourself to always being first in attack and last in retreat, since the most important determinant of your leadership effectiveness is the example you set.
12. Be in it for the long haul.

## LESSON

## 6

**ENTHUSIASM**

*Nothing could keep Merry and Pippin down for very long. Within hours of escaping from the orcs who had treated them so brutally during four days of captivity, they were chatting with Treebeard as if nothing had happened.*

A common denominator among all great achievers is that they approach their work with enthusiasm. A common denominator among all great organizations is that they promote a culture of enthusiasm. Enthusiasm is the active ingredient in positive thinking. Merry and Pippin were irrepressible young hobbits who in their enthusiasm volunteered for the most daunting of challenges and, with their good cheer and positive outlooks, lifted the spirits of those around them even in the gravest of circumstances.

## LEADER FOR ENTHUSIASM

### Joe Torre

When Tom Bombadil rescued Frodo and his colleagues from the barrow-wights, he did more than save their lives: He restored their confidence, and with it their enthusiasm. You cannot have one without the other.

As manager for the New York Yankees, Joe Torre and his teams won four World Series rings in his first six years at the helm. Torre knows that you don't generate genuine enthusiasm with locker room pep talks; rather, this is an ongoing management responsibility.

The first step, Torre writes in his book *Joe Torre's Ground Rules for Winners* (with Henry Dreher), is treating people with respect and dignity. "Some managers," he says, "use fear, favoritism, manipulation, or public humiliation to light sparks under their employees ... I've always found that a managerial style rooted in the 'triple play' of fairness, respect, and trust promotes teamwork and a winning attitude."

Second, he communicates openly and honestly with his players. They don't have to guess where they stand with him, and can trust him to give it to them straight if they aren't performing up to his expectations.

Third, Torre has proven himself to be extremely loyal to his players. He is slow to pull a player in a slump, and goes out of his way to rebuild player's confidence when they are struggling.

Fourth, Torre insists that his players treat one another with respect at all times. As he says, "Wining is tough enough when you're all pulling together. When you're pulling apart, you have no chance."

Finally, Torre knows that high levels of stress and tension are antithetical to enthusiasm and excellent performance. As such, he does whatever he can to help his players relax – to play with intensity rather than tension. Like all great leaders, he knows that one of his key duties is to insulate his players from external

sources of fear and stress. In the case of the Yankees, Torre willingly serves as the buffer between temperamental owner George Steinbrenner and members of the team.

### **ENTHUSIASM REINFORCES MISSION**

Nothing great was ever accomplished without enthusiasm, said Ralph Waldo Emerson. That was certainly true of the Quest of the Fellowship of the Ring. Without enthusiasm, their mission would have been the dreariest of chores, a job easily quit when the going got tough. But the Fellowship's enthusiasm for the vision of Middle-earth free from fear of an all-powerful Sauron was reflected in a passion for each other, and for the success of their mission. Enthusiasm truly is the catalyst that transforms a job into a mission, that transforms mere work into a calling.

Without enthusiasm, no organization will ever achieve optimal quality in the production and promotion of its products and services, in its customer relationships, and in creating a culture and environment that foster employee loyalty. As Ken Blanchard wrote in *Everyone's a Coach (with Don Shula)*:

When I work with a top manager, one of the first things I look for is how involved he or she is in the overall workings of the organization. If there's a passion and an intensity, I know the manager cares and wants the organization to be the best. But if the manager seems distracted or not sure about what's going on, I know that in this organization, people's desire for excellence may be lacking.

### **YOU GET WHAT YOU EXPECT**

Gandalf expected courage and rectitude from his companions, and with very few exceptions, that is what he got. Sauron expected cowardice and treachery from his minions, and used brute force and fear to prevent it. Even so, he was unable to prevent the betrayal of Saruman, which contributed mightily to his defeat in

the War of the Ring. In the real world, as in fictional Middle-earth, leaders tend to get what they expect from those in their charge.

I saw a dramatic example of this when I was giving a speech at Flagstaff Medical Center in Flagstaff, Arizona. After the speech, a man introduced himself as Fred Smith, and told me he had recently been hired to drive the shuttle bus to and from the remote employee parking lot at the medical center. Before he started, he was repeatedly warned that he would have the worst job in town, because so many employees were upset at having been bumped from their more accessible parking spaces by a new construction project.

Smith took this as a personal challenge. He put fresh flowers on the bus dashboard. When people asked who had sent him flowers, he smiled and replied that they were from him to his riders as a way of thanking them for making his day so bright. He greeted employees with a friendly smile and asked for their names. The next day, he greeted passengers by name. When someone pulled into the parking lot just as the bus was leaving, Smith went back for him – something no previous driver had done. Even the most negative and cynical riders responded. Soon people were bringing him flowers.

Guess what. Fred Smith told me he had not encountered a single unpleasant passenger, and that as far as he was concerned, he had the best job in town. Not only that, he did a great deal to help neutralize what had been a point of contention between the medical center administration and staff. He was able to accomplish all this because he changed expectations.

### **MAKE IT FUN**

No matter how daunting the circumstances, Merry and Pippin always found a way to retain their enthusiasm, and to have fun. They were even able to find time for merriment on the edge of chaos, as when Gandalf found them picnicking on the shattered walls of Isengard after Saruman's stronghold had been destroyed by the Ents. It was largely as a result of their enthusiasm that Merry and Pippin emerged as real leaders upon their return to the Shire.

Many American corporations are still operating in the buttoned-down corporate culture described in such classic post-World War II books as *The Man in the Grey Flannel Suite* and *The Organization Man*. The expected behavior is what humorist C.W. Metcalf calls “terminal professionalism.” Solid and trusting friendships are discouraged in organizations where having fun and getting the work done are seen as mutually exclusive.

A leading venture capitalist once told me that before he considers making an investment in a company, he visits the plants or offices where people work. He considers an investment only if he sees energized and enthusiastic employees who laugh and play, who refuse to take themselves too seriously and who obviously love their work and have fun doing it. Why? Because people who are having fun tend to be more creative and enthusiastic, and thus generate more effective results. Further, they are less likely to crumble in the face of the inevitable obstacles and setbacks.

### **STAMP OUT VICTIM-ITIS**

During the quest to destroy the Ring, Frodo and his companions had plenty to complain about; long hard days hiking through hostile territory, freezing cold, lack of food and terrible thirst. There was the very real danger of being killed by enemies, and no guarantee that even if they were successful, anyone would ever appreciate their sacrifice. Yet, through it all, they rarely complained.

Complaining is toxic to enthusiasm. The chronic complainer sucks the energy out of everyone within earshot. When you complain, you are proclaiming first to yourself and then to the world that you are a victim. You can tell a lot about an organization by sitting in the cafeteria and wandering the hallways, listening to what people are talking about. The more you hear people complaining, proclaiming their victim-hood to the world, the more certain it is you will find low employee morale, high levels of staff-management antagonism and poor customer service.

At the organizational level, a culture that is characterized by widespread complaining and victim-itis is a deadly barrier to productivity and profitability. At the individual level, it poisons

enthusiasm, optimism and teamwork. Yet we have become so accustomed to it, we simply take it for granted. I once challenged a group to stop complaining, and to stop commiserating with the complaints of others, for thirty days. One participant remarked that if it weren't for complaining, she would never speak with her mother! Several months later, however, she reported back to the group that she and her mother were having meaningful conversations for the first time in decades. One of the leaders' chief responsibilities is to transform victim -itis into personal accountability and self-empowerment.

### **USE EXTRAORDINARY EVENTS TO REINFORCE CORE VALUES**

The hobbits' stay at Rivendell was more than a respite from the hardship and dangers of the Quest. Through songs and stories they learned about the history of Middle-earth, information that was to prove very useful in the days to come. At the Council of Elrond, expectations were established and relationships forged.

Leigh Cox is CEO of Navapache Regional Medical Center, the primary healthcare provider for northeastern Arizona. Cox strongly believes that family should take priority over work, and that in order to be optimally effective on the job, people need to make time for themselves, including time for having fun. He promotes these values through his own example (he personally and visibly makes time for his family, and is an avid jet skier), but he is always on the lookout for other way to get the message across.

When Cox saw the movie *Patch Adams* starring Robin Williams, he realized it captured the sensitive, compassionate and caring approach to patient care that he wanted to foster at NRMC. But he didn't just tell people they should go see the movie; he created an event. He rented the local movie theater so staff from every shift could see the movie as the hospital's treat.

Cox has made a concerted effort to encourage people to lighten up, have more fun, take themselves a little less seriously and treat patients more compassionately. Which approach is likely to have a more sustained effect in achieving those goals – a series

of lectures by the CEO or sending everyone off to watch a movie starring Robin Williams?

### **MAKE IT LOOK EASY**

Among the hobbits, Bilbo Baggins had quite a reputation for cavorting with elves and dwarves and other strange folk, going off on mysterious adventures, seeming to have a limitless supply of money at his disposal and throwing extravagant parties. Above all, he made everything look so easy. He was like the proverbial duck: Few saw the furious paddling that went on under the water to keep him gliding so gracefully across the surface.

This brings to mind two men I worked for at different stages of my career. Both were successful chief executive officers of large healthcare systems, but they could not have been more different in style. One worked virtually around the clock, and seemed to carry the weight of the entire organization on his shoulders. When he left work at the end of an already long day, he frequently carried not one but two briefcases full of work still to be done. His underlings caught the spirit, and felt the pressure to work long hours and take work home.

The other CEO was much more laid back. His attitude about Friday seemed to be that if you couldn't knock off a bit early for a quick round of golf on a sunny day, you weren't working smart enough. He didn't feel the compulsion to do everything himself, and gave considerably more latitude to his staff.

The first CEO was a certifiable workaholic; the other knew how to keep everything in perspective and had a knack for making everything look easy, effortless and enjoyable. Although I have a deep respect for both men and their accomplishments, I would never again work in the kind of environment created by the former. I know the personal toll it exacts on people, and I don't believe that an organization with a workaholic culture can ever tap its people's greatest creative potential, which puts it at a serious competitive disadvantage.

The idea that you can limit your potential for success by working too hard and achieve greatness by having fun doing your

work may seem to be a paradox but it was one that J.R.R. Tolkien himself embodies. In the beginning, he didn't set out to write one of the best-selling books in the history of the English language, but rather to write stories to entertain his children. Yet it is doubtful that anyone has ever put a more disciplined effort into creating a work of fiction. Tolkien created accurate maps, invented complete languages and wrote detailed histories for his make-believe world. He didn't put all that work into it because he had to; he did it because of his enthusiasm. His biography and his letters convey the sense of a man who finds his greatest joy in his work, and for whom writing truly is easy, effortless and enjoyable.

### **ESTABLISH RITUALS THAT BOOST ENTHUSIASM**

The hobbits had lots of little rituals, which was one of the things that made the Shire such a pleasant place to live. They had rituals for teatime, for birthdays, for giving gifts and for many other aspects of life and work. The inhabitants of Gondor also had rituals, including the ceremonial process for crowning a new king. The ritual solemnity of Aragorn's ascension to the throne added dignity and majesty to the position.

There are many rituals that govern our behavior in the business world. We shake with the right hand, men wear neckties and big deals get done over power lunches or on the golf course. But relatively few organizations consciously establish rituals to give a sense of power, meaning and dignity to people's daily work, and to instill a sense of destiny to the organization's goals. As quaint as they may seem today, Thomas Watson's strict dress code and company fight songs were instrumental in differentiating the IBM sales force in the company's early days, and helped create a unique esprit de corps that carried the company to huge success in the ensuing decades.

I once spoke with an entrepreneur who put a ship's bell in the middle of her offices. Every time someone closed a sale, the successful salesperson would ring the bell and people would gather around for an impromptu celebration. Of course, everyone thought this little ritual was fun, but it was also highly effective. It wasn't long before a competition got started to see who could ring the bell

most often. Rituals like this ringing of the bell are a powerful way of manifesting and reinforcing enthusiastic expectations.

### **DO NOT TOLERATE OFFICE POLITICS**

Gandalf had no tolerance for petty arguments between those who should be friends. When Gimli and Legolas began acting out ancient antagonisms between dwarves and elves, he put an immediate stop to it, saying that he would need them both in the struggle to come. When a fight nearly broke out over whether or not members of the Fellowship would be allowed to carry their weapons into the court of Theoden, Gandalf was the first to set down his sword, saying that should friends start fighting among themselves, only their enemies would benefit.

T.J. Rodgers, head of Cypress Semiconductor, wrote in *No Excuses Management* that the CEO's first job is to prevent office politics. He's right, as has been demonstrated by the consistent success of his company in a brutally competitive industry. There are plenty of fights to be had in the world outside without allowing them to crop up inside your organization.

### **DELIVER BAD NEWS EFFECTIVELY**

When he finally told Frodo about the true nature of the One Ring of Power that had been handed down to him by Bilbo, Gandalf did two things to assure that his delivery of that news did not quash the little hobbit's enthusiasm. First, he stated the facts completely and honestly and did not water them down with false reassurances. Second, he outlined the steps that would need to be taken, demonstrating that regardless of how bleak the situation might appear, there was still hope for success.

Leaders who are adept at delivering bad news can *avoid* all kinds of problems; when they bungle the job, they *create* all kinds of problems. In the article "Anthrax Offers Lessons in How to Handle Bad News" (*The New York Times*, October 23, 2001), Erica Goode summarized four guidelines that experts recommend for delivering bad news in an effective manner:

1. Adopt a policy of full disclosure about what is and is not known, and deliver information in a non-patronizing manner.
2. Avoid speculation, and never mix facts with reassurance.
3. Give a detailed accounting of what is being done to counter the threat.
4. Recommend specific steps that people may take to protect themselves.

For the leader who must, for example, deliver bad news about the possibility of impending layoffs, following these guidelines can help prevent a panicked reaction within the organization, minimize the disruptive influence of the rumor mill and begin to prepare people for changes they might need to make in their lives.

### **WATCH YOUR LANGUAGE**

Gandalf and Aragorn were fastidious about the use of language. When, after days of limited rations, Frodo laughed that he would become a wraith, Aragorn snapped that he should never say such things. When they had finally made it safely to Rivendell and Pippin jokingly called Frodo “Lord of the Ring,” Gandalf told him to hush, and to not ever give name to evil things.

A group of middle managers attending one of my seminars expressed concern about the stressed-out environment at their organization. They were unaware of how their own language was contributing to it. They repeatedly used phrases like “cut off at the knees,” “handed him his head on a platter,” “blood all over the floor” and other terms that conjure up mental images of horrific violence. When I pointed this out, they were shocked. They acknowledged that such language was commonplace in their organization, and instantly perceived how it was contributing to the stressful climate.

As leaders, it behooves us to carefully weigh the words we use ourselves, and those we permit to be used by others. When asked what he would do if given the opportunity to govern,

Confucius said that his first action would be to “rectify the language.” This is advice all leaders would be wise to follow.

### **SING SONGS AND TELL STORIES**

Songs and stories had many uses in Tolkien’s Middle-earth. They created a sense of historical continuity, helped establish expectations of behavior, celebrated victory, honored grief and lifted spirits in times of trouble. Experts in corporate culture tell us that stories exert profound influence, but most leaders do not consciously use them, much less have everyone singing songs (at least not since Tom Watson had IBM salesmen singing company fight songs).

Southwest Airlines encourages a culture of enthusiasm. The story is told of a time when two Southwest flights were woefully behind schedule, and people were getting restless. A Southwest agent came out from behind the counter and challenged the passengers to engage in a competition: Which waiting area could outdo the other singing “Row, Row, Row Your Boat”? Within minutes, misery was transformed into merriment, and Southwest had one more story to tell its people. Southwest Airlines has incredible customer loyalty – and for good reason:

- How long do you suppose the delayed passengers will remember that little party? *Probably forever.*
- Will they be more likely to fly Southwest again in the future, despite the delay? *You bet.*
- Did they attract the attention of literally thousands of other passengers passing by on their way to other flights? *Without question.*
- How much did this stroke of customer service wizardry cost the company? *Not a penny.*

### **BE WILLING TO LOOK SILLY**

When the finally escaped the Black Rider who had been tracking them and reached the Prancing Pony, the hobbits were greatly relieved – perhaps *too* relieved. At the tavern, Pippin began to tell the story of Bilbo’s disappearance from the Shire. Had any of Sauron’s spies been present, Pippin’s story would have immediately raised questions about the Ring. In a panic to stop his young friend, Frodo jumped up on the table and sang a ridiculous song.

Sam Walton told his people that if they achieved certain financial targets, he would do a hula dance down Wall Street. They did, and he did. Richard Branson wears an old-fashioned pilot’s costume to greet passengers on Virgin Airlines flights. If you as a leader want people to lighten up and be more enthusiastic, it may be that you need to exaggerate your own role-modeling in order to get the ball rolling – or to get the party started.

### **USE MEALTIMES STRATEGICALLY**

Whether it was a banquet at Rivendell or sharing a bit of elven waybread in the shadows of Mordor, mealtimes were something special in Middle-earth, as they were in most other cultures in the days before fast food and microwave dinners. They were times for reflection and gratitude, and for meaningful communication.

Mealtimes can still be something special and meaningful in your organization. That’s because people today tend to be just as enthusiastic about eating as they always have been. Robert A. Eckert explained in a *Harvard Business Review* article (November 2001) that when he became CEO of Mattel, the toy company was in deep trouble – losing money, losing good people and struggling to survive. Eckert made strategic use of mealtimes – ranging from team-building dinners with his leadership team to casually joining employees for lunch in the cafeteria – as his forum for learning more about the organization and its people, and for letting people get to know him and understand his agenda.

The most amazing strategic use of mealtimes that I know of is practiced at Auto-Owners Insurance Company, headquartered in

Lansing Michigan – widely known as the “No Problem” people. Every day, the senior officers of the company meet for lunch – every single day. Decisions get made in real time, there are minimal communication breakdowns relative to other five billion dollar organizations, and there is a tangible sense of teamwork throughout the organization.

### **BUILD A SENSE OF DRAMA**

When Thorin announced himself to the men of Dale, the town on the lake near the Lonely Mountain, he proclaimed himself to be heir to the King Under the Mountain. He knew the legend that when the King Under the Mountain returned, the rivers would run with gold, and he played it for all it was worth. And it was worth a lot – the townsfolk completely outfitted his company for the last stage of their adventure.

Every great leader is a master of the art of drama, because he or she knows that a powerful dramatic performance can change history in a way that words never will. Consider Alexander the Great’s magnificent performance in defusing the mutiny of his army, Caesar’s cast of the die at the Rubicon, Joan of Arc’s return to battle after being wounded at Orleans and Gandhi’s hunger strikes.

George Patton used to practice his “war face” in front of a mirror. Before you laugh, ask yourself this: What are your people actually seeing in your face when you are trying to instill a “do or die” spirit of determination? How would you know if you haven’t first practiced in front of a mirror? Your expressions could actually be sending the wrong message without your knowing it. If you want to be effective at building a sense of drama, don’t just hope that it will somehow happen; prepare yourself so you will make it happen.

### **BE A CONCILIATOR**

Gandalf knew that personal enmity can crush enthusiasm, and he went out of his way to end it whenever he could. Even when dealing with that most delicate of relationships between fathers

and sons, Gandalf strove to be a bridge-builder. He tried to bring about harmony between Denethor and his son Faramir and between Theoden and his “sister-son” Eomer, knowing that divisiveness at the top would poison enthusiasm in the ranks.

Early in my career, a more senior manager went out of his way to patch up a quarrelsome relationship I had with a colleague. Today, that colleague is a good friend. I don’t remember how much that senior manager contributed to the organization’s bottom line that year, but I still remember and appreciate his contribution to the quality of my life. That is true leadership.

### **HONOR LEGITIMATE GRIEF**

Gandalf was not much for whining and self-pity. Yet he knew that there are times when it is best to acknowledge and honor grief. When he, Bilbo and Frodo were leaving Sam, Merry and Pippin for the last time, the old wizard told them that at times like this, shedding tears was perfectly appropriate.

Freud believed that depression can often be traced back to an earlier failure to honor grief. In *Healing the Wounds*, David Noer wrote that the biggest mistake executives make after layoffs is trying too quickly to return to “normalcy,” to create a false spirit of enthusiasm. This masks the underlying feelings of grief, guilt, uncertainty and other negative emotions employees feel at such times. Knowing when to stop and honor legitimate grief is part of the art of leadership.

## THE 12 KEYS FOR

**Enthusiasm**

1. You get what you expect, so remain positive, optimistic and enthusiastic and expect the best.
2. Cultivate an environment where team members assume a personal obligation for supporting and nurturing each other.
3. Stow away your gray flannel suit, lighten up and encourage people to play, have fun and laugh.
4. Be creative in developing rituals and special events that reinforce the cultural philosophy you are working to instill.
5. Approach your own work like it's easy, effortless and enjoyable, and help other people see their work in the same light.
6. Don't allow inappropriate communication styles, violent language or office politics to dampen your people's enthusiasm.
7. Use frequent and open communication and be visible and accessible.
8. Be a role model for having fun at work, even if you have to feel a little silly every now and then.
9. Use a sense of drama to convey your message. Know what your people see when they look at you.
10. Be deliberate in the language you use to define your organization's values and your vision of the future.
11. Be a conciliator. Don not allow personal animosities to extinguish group enthusiasm.
12. Don't try to paper over legitimate grief with fake enthusiasm.

## LESSON

## 7

## FOCUS

*Whether freezing in the snows of Caradhras or  
Fighting off orcs in the dark tunnels of Moria, the  
Members of the Fellowship kept their eye on the Quest.*

Effective leaders know that success depends upon limited resources being focused on key priorities. The leader who is content to work within the parameters of the Pareto Principle – with 20 percent of the effort yielding 80 percent of the results, and the other 80 percent of the effort being frittered away – is doomed to mediocrity. When Treebeard led his army of Ents to attack Saruman’s stronghold at Isengard, they had incredible focus. When the Ents were finished, it was difficult to find two stones standing on end. From there they went to Helm’s Deep, where they destroyed every last orc from Saruman’s army. It was a 100 percent effort carried through to a 100 percent conclusion.

## **A LEADER FOR FOCUS**

### **Michael Dell**

No matter what distractions there were in the world around him, Gandalf never allowed his focus to be diverted from his two key priorities: destruction of the One Ring of Power and restoration of Aragorn to his rightful throne. Perhaps more than any other factor, Gandalf's focus created the circumstances for victory over Sauron in the War of the Ring.

Focus is also a key competitive advantage for Dell Computer, which increasingly dominates a highly competitive field. "At Dell," says founder Michael Dell, "What ties us all together is belief in our direct model... Over time, we have developed a laser-focused strategy that we take great pains to communicate consistently and thoroughly throughout the entire global organization."

Focus facilitates, and is facilitated by, speed. For example, Dell converts its average sale into cash in about 24 hours, compared with two to five weeks for competitors. Focus also facilitates, and is facilitated by, traveling light. For example, Dell has reduced its suppliers to a limited number, all of which agree to keep components warehoused near Dell factories.

At Dell, focus is crystallized with information. "Facts are your friend," is a common phrase heard around Dell, and is an emphasis that helps the company see the world as it really is in an industry where wishful thinking has caused many failures. Dell constantly reinforces its focus. For example, when the company adopted a focus on "liquidity, profitability and growth" to prevent it from running out of cash during hyper-growth, the message was solidified with a game called "the cash and profit hunt." Dell himself handed out Plexiglas paperweights with the words liquidity, profitability and growth on the corners.

Paradoxically, as shown by the case of Dell Computer, a properly leveraged focus strategy can create even more growth opportunities than a strategy of diversification. For example, Dell's direct-sales model is more amenable to the Internet than those of competitors, and Dell has used this advantage to create one of the most successful websites in the business. More recently, Dell

relied upon the low-cost structure afforded by its direct model to launch a price war that is taking market share away from competitors who cannot afford to match Dell's price reductions.

Finally, it is imperative (and sometimes easier said than done) to recognize when you are losing focus. Shortly after Dell began selling computers through retail outlets such as Wal-Mart, it decided to exit the retail business altogether. Company leaders quickly recognized that putting a retailer between them and their customer was inconsistent with the direct model. As Michael Dell put it, exiting retail "forced all of our people to focus 100 percent on the direct model. That single-mindedness was a powerful unifying force."

### **FOCUS ON WHAT'S MOST IMPORTANT**

In the years after Sauron's original defeat, the men of Gondor and Rohan allowed their attention to shift to other matters. Even after Sauron returned to Mordor, for a long while the risk seemed remote, just one of many things to be monitored. Theoden, the King of Rohan, and Denethor, the Steward of Gondor, seemed at first to discount the threat, only to later be overwhelmed by it. However, both countries were fortunate to have captains riding daily in the field. Eomer of Rohan and Faramir of Gondor could *feel* the magnitude of the danger, and their sense of urgency helped create the focus that was essential to the ultimate triumph over the dark lord.

Several years ago, Henry Ford Health System (HFHS) in Detroit was struggling financially as a result of governmental and private insurance cutbacks. CEO Gail Warden put together a turn-around team that made some very difficult decisions to reduce staff, eliminate management layers and close certain programs. In the process, it became clear that the organization had grown so large and diverse that the leadership team was no longer aligned around a common vision.

Chief Operating Officer Nancy Schlichting (who is now President and CEO) helped lead an effort to clarify mission, vision

and values. The key outcome was a redirection to patient care excellence as the primary focus, with business and academic priorities being given more clearly supporting roles. Thousands of staff members have participated in multi-day retreats to intensify this focus throughout the organization.

Schlichting says that to assure ongoing maintenance of this new focus, they are also working to bring about behavioral changes. For example, the organization has contracted with an outside agency to provide personal coaching for members of its leadership team to help them all stay focused on key priorities. As a result of this refocusing initiative, HFHS is much less likely to be blindsided by patient care quality problems – the most serious threat to any healthcare organization – in the manner that Theoden and Denethor were blindsided by the resurgence of Sauron.

### **FOCUS IS TARGET PLUS CONCENTRATION**

Focus comprises two elements: target and concentration. Target means having a strictly limited number of objectives in front of you at one time. Concentration means bringing to bear all available resources to accomplish those objectives in the most effective manner.

As Theoden and his small force prepared to meet the massed armies of Saruman at Helm's Deep, Gandalf dropped everything else and gave all his attention to the forthcoming battle. Even as the first blows were falling, Gandalf was riding to locate Erkenbrand and his band of warriors, feared lost in earlier fighting, and to recruit Treebeard and the Ents, still busy with the destruction of Isengard, to hustle them into joining the battle. Gandalf's concentration of overwhelming force on the key target was the deciding factor in the victory at Helm's Deep.

### **FOCUS FOSTERS MISSION**

When Frodo and Sam first ran into Faramir, he demanded that they declare themselves and their errand quickly. As Frodo began to tell their tale, Faramir listened for a while, then stopped him, saying that he had work to tend to at that moment, and they should speak more later when he could give them his full attention. Faramir and his men were about to ambush a column of enemy soldiers, and he wanted to remain focused. As much as his courage, Faramir's focus contributed to holding up Sauron's forces at the border, giving Theoden and Aragorn time to arrive at Minas Tirith with reinforcements to strike a decisive blow against Sauron's forces.

In 1991, Arlynn Greenbaum left a twenty-year career in the world of publishing with the idea of establishing a speakers bureau that would promote authors and their ideas. Today, Authors Unlimited represents hundreds of published authors, booking them for speaking engagements with clients all across the country. "I was a bit of a Pollyanna in the beginning," Arlynn now says. "I just wanted to do something that would let me share my love of books with others." Arlynn's focus on that mission has helped her turn her own business into a bestseller in a very crowded market. Of more than five hundred speakers bureaus in the United States, only Arlynn's focuses specifically on authors.

### **DEVELOP YOUR STRENGTHS**

At the Council of Elrond, Gandalf made it clear that trying to fight their way into Mordor with an army to destroy the One Ring of Power would be futile. Rather, he said, they should focus on their natural strength, which was the loyalty and commitment of a small team.

In *Profit from the Core: Growth Strategy in an Era of Turbulence*, Chris Zook and James Allen describe a ten-year study of over two thousand companies across multiple industries which concluded that most growth strategies failed to create value, and many even diminished value. The reason was that these efforts diverted attention from the profitable core business on which the company's original strength was founded. "The foundation of

sustained profitable growth is a clear definition of a company's core business," they say, and developing this core business can be far more productive and profitable than most diversification efforts.

As Jack Trout points out in his book *Big Brands, Big Trouble: Lessons Learned the Hard Way*, the imperative that many companies feel to achieve growth for its own sake (or for the sake of Wall Street analysts) will more often than not weaken the business. Trout gives multiple examples of businesses that have used line extensions in the attempt to grow beyond their core brand, only to find that public perception becomes so confused that their overall market share declines.

### **AVOID THE BUSYNESS TRAP**

When Gandalf unexpectedly had to journey to Isengard to see Saruman, he didn't have time to return to the Shire and let Frodo know what was going on. Instead he entrusted a letter to Barliman Butterbur, innkeeper of the Prancing Pony. This could have been the most important letter written in the history of Middle-earth, but Butterbur got so wrapped up in the daily chores of running his inn that he forgot to have the letter delivered. Only good fortune prevented disastrous consequences.

In his book *The 80/20 Principle: The Secret to Success by Achieving More with Less*, Richard Koch encourages readers to engage in "80/20 thinking," by continuously observing the relationship between their actions and outcomes, and to concentrate only on those actions that are most effective. There is, he says, a constant battle in any organization between "the trivial many and the vital few." The former are a manifestation of culture, inertia, politics and business as usual; the latter are the source of major breakthroughs in productivity and profitability. "Most activity," he says, "results in little value and little change. A few powerful interventions have massive impact."

One of the most difficult challenges for any leader is to see through the clutter of marginal activities and busyness, and to perceive those few activities that truly create new value – and then have the courage to channel the resources into these focused arenas.

**TEACH FLESIBILITY OF THOUGHT  
AND ADAPTABILITY IN ACTION**

Faramir was the son of Denethor, Steward of Gondor, and Eomer was the son of Theoden, King of Rohan. In the troubled times of Middle-earth, it fell to these two princes to lead small teams of warriors in defending their borders against incursions from Mordor. That was their task, but each approached the challenge in the way that he believed would be most effective, even if it created tensions with his father. Flexibility and adaptability were decisive factors in their ability to defeat larger forces.

In *The Arab-Israeli Wars*, Chaim Herzog describes one of the key battlefield differences between the courageous Israeli forces and the equally courageous forces on the Arab side. Junior officers in the Israeli army, he says, had “a flexibility of thought that encouraged the leader in battle to adapt himself to the vicissitudes of war at a moment’s notice and to take advantage of the changing circumstances in the field. A rigid approach and over-dependence on higher command had no place in the Israeli forces.”

On the other hand, while the Arab armies were highly effective on defense, they were less effective when on offense. Their shortcomings “arose out of the fact that, when their set-piece attack encountered unexpected obstacles, the junior leadership in the field was incapable of adapting itself rapidly enough to the changing circumstances of the battle.” Today’s business world is so dynamic that in many industries, organizations must adopt the mantra “move fast or die” just to survive. The only way that can be accomplished in a complex environment is through flexibility of mind and adaptability in action, at all levels of the organization.

**SPEED PROMOTES A SENSE OF URGENCY**

Gandalf was often in a hurry, racing from one urgent matter to another, proclaiming that in speed lay their only hope to defeat the forces of Sauron. Aragorn regretted every hour lost to sleep as he, Gimli and Legolas tracked the orcs that had kidnapped Merry and

Pippin, just as Frodo begrudged every moment of delay standing between him and his mission at Mount Doom.

One way that leaders can keep a tight focus on key objectives is by using speed to create a sense of urgency. Tom Peters tells the story of how Jack Welch, when he was CEO of General Electric, asked a group from his purchasing department to work on a particular project. Several weeks later, he scheduled a meeting for a progress report. To his dismay, very little had been done. He angrily dismissed the meeting, and scheduled another one for later that same day, with the sole agenda to be an updated progress report. More effective work got done in those four intervening hours than had been accomplished in the preceding weeks.

**BE A MONOMANIAC WITH A MISSION  
(OR AT LEAST RECRUIT ONE)**

In one of his memorable lines, Peter Drucker said that wherever he found something worthwhile being done, behind the scenes there was “a monomaniac with a mission.” Surely, J.R.R. Tolkien was such a man. The better part of his life was dominated by creating Middle-earth. More than thirty years after writing the first chapter of *The Lord of the Rings*, and well into his seventies, Tolkien was still sending lengthy and thoughtful replies to people who had written to him to ask questions about the trilogy – whether it was a question about the actual shape of Denethor’s crown, what happened to immortal elves who were killed in battle or whether Shadowfax accompanied Gandalf to the Havens.

So it is with all great creators and great leaders. The best leaders focus intense passion on their mission. Ray Kroc waxed eloquent about the beauty of a hamburger bun; Soichiro Honda couldn’t find change at a tollbooth and made a U-turn to go back to his office and design a new coin holder for his company’s cars. And legendary are the stories of high-tech entrepreneurs who didn’t even make time for such distractions as eating or sleeping as they developed the technologies that changed the world.

If you yourself are not a monomaniac with a mission and don't wish to become one, the best alternative is to recruit people with monomaniacal tendencies to your team, and then to motivate them to make your mission their mission.

### **SMALL-TEAM FOCUS OPTIMIZED EFFECTIVENESS**

Elrond, lord of the elves, was deemed among the wisest leaders in Middle-earth, and it was at his Council that the decision was made to send the Ring into Mordor for destruction. In determining how this was to be accomplished, Elrond knew better than to send a large force, which would attract Sauron's attention and be defeated long before it could reach Mount Doom.

He also knew better than to send one person alone, understanding both the practical and emotional burdens involved. Most likely to succeed, he concluded, was a small team of nine walkers to match the nine Riders of the dark lord. In the days to come, Elrond's insights proved to have been right on target. The Fellowship possessed a combination of physical strength, wisdom and diverse knowledge that carried it through Caradhras and Moria. Even after the Fellowship fractured, Frodo and Sam accomplished what Frodo alone never could have done.

The concept has long been recognized in military circles that small-team cohesion is the fulcrum upon which victory and defeat are balanced in combat. The most successful business enterprises know that real innovation cannot take place in a large corporate setting, or in an environment where teamwork is not encouraged, and so have structured mechanisms to encourage small-team formation around specific projects. Similarly, in the world of sports, a cohesive team of reasonable good players will beat a like number of prima donna superstars playing as individuals almost every time.

In *Working with Emotional Intelligence*, Daniel Goleman shows that cohesive groups actually become collectively more intelligent. The "group IQ" is greater than the sum of individual IQs. This is true even in, perhaps especially in, such highly

specialized fields as technology and medicine. There are, he says, no lone wolf researchers or inventors in today's world, where knowledge is expanding at a dizzying rate and its life span is becoming ever shorter.

### **BE A HUB**

Gandalf was always in the middle of things, and frequently served in a key connecting role. He was the connector linking Bilbo with the dwarves and Frodo with the elves, he brought the Riders of Rohan together with the Ents for the victory at Helm's Deep and he orchestrated the coalition that triumphed over Sauron. One reason Gandalf was so influential was that he was positioned centrally in the communication web of Middle-earth. He then went on to use this position to leverage the strengths of the individuals and organizations with which he related to further their success.

Ivan Misner is the founder of Business Network International, the world's largest referral networking organization. He is also the author of several books on how to use networking to generate leads and to promote word-of-mouth marketing for a business. One of his suggestions is that you should position your company as "a hub firm" in order to optimize the number and quality of your business connections.

A hub firm, Misner writes in his book *The World's Best Known Marketing Secret*, "is the key business in a constellation of independent businesses tethered to one another to make the most effective use of the organizational strengths of each. Cooperative relationships between these businesses can be the source of dramatic competitive strength."

The concept of being a hub is not limited to business. You can become a hub person by bringing people together in a way that optimizes their individual strengths and creates synergy within the group. You can do this as a business manager, a scout troop leader or an entrepreneur seeking business alliances.

**SAY WHAT YOU MEAN  
AND ASKE FOR WHAT YOU WANT**

Gandalf's facility for focused communication was one of his differentiating characteristics as a leader. He did not waiver when delivering bad news, and did not equivocate when reprimanding or correcting. He was never reluctant to ask for what he needed in terms so clear that his request was almost never denied.

In a world where all great accomplishment is a result of team effort, it is not sufficient for you as a leader to be focused on your own intention; you must also have the ability to communicate that intention to others clearly, precisely and compellingly. Start each day by reminding yourself of what's really important, so that you will be clear and focused in telling others what they can do to help you get it done.

There are a number of steps you can take to become a master of focused communication. For example, before you send a written communiqué, read it out loud; before you give a speech, write it down on paper – if your intention is not crystal clear in one format, it's not likely to be clear in the other.

**THERE ARE NO SHORTCUTS TO SUCCESS**

As the four hobbits left the Shire, Pippin urged that they follow the road rather than cutting across country, as Frodo wished to do, arguing that shortcuts often end up causing long delays. Upon learning that his young friend had his heart set on stopping for a beer at the Golden Perch down the road, Frodo exclaimed that inns make even longer delays, and they set a course through the rough. In this case, Frodo's shortcut worked out for the best, but in the larger sense Pippin was correct. Along the paths that really matter, shortcuts can make for long delays, if not permanent derailments.

In *Principle-Centered Leadership*, Stephen R. Covey says there are no shortcuts when it comes to personal growth. You cannot effectively tackle higher-level challenges such as procrastination, impatience and pride until you have first mastered the basics of managing the body –productive sleep schedules,

exercise routines, diet moderation and the ability to work through fatigue. In the same way, over the long term you pay a high price if you try to take a shortcut around grief after loss, around introspection after rejection or failure, or around preparation before embarking upon a new venture.

We often don't like those intermediate steps, which is why we opt for shortcuts, but those steps are essential. There are no shortcuts on the road to success, and in the end you become who you are as a result of the journey. This makes every step worthwhile.

### **DON'T ALLOW IDLE CHATTER TO DIVERT FOCUS**

On the outskirts of the devastated city of Isengard, Gandalf and King Theoden found Merry and Pippin chatting on top of a pile of rubble. Theoden, who had never before seen a hobbit, made a vague and polite inquiry as to their customs. In response, Merry launched into a detailed elaboration of the history of rituals of the Shire. Gandalf interrupted with a laugh, telling Theoden that if he encouraged the hobbits, he would hear more about the Shire and its inhabitants than he ever wanted to know.

Every leader must strike a fine balance between active listening and wasting time by tolerating unproductive chatter. For example, if a team member is having a tough time, a sympathetic ear is certainly in order, but lengthy commiseration might not be. People love to talk about themselves, and they like to talk about their problems and (especially if the boss is listening) to brag about their successes. If you're the boss, it's important that you listen, but do it without encouraging idle chatter with undue patience.

A friend once told me about a man he'd worked for who set an egg timer whenever someone came into his office so that no conversation would take more than three minutes. That, it seems to me, is undue impatience, and from my friend's description of the place, it sounded like this martinet's management style shut down individual initiative and creativity. Conversely, I once worked with a manager who would spend hours wandering around talking with people, often over a cup of coffee. He was popular, but not very productive. As a result of his undue patience for small talk, some of

the work he should have been doing had to be done by the rest of us. Because we were all very busy already, this created resentment, which was not good for either morale or productivity.

It would be hard to find a better leadership role model than Gandalf. He was often in a hurry, with urgent business on his mind. He had little patience for triviality and no tolerance for pettiness. Yet when it came to listening to legitimate concerns, and to giving or taking counsel, he seemed to have all the time in the world.

### **BUILD YOUR SUCCESS MOMENTUM**

Immediately after the victory at Helm’s Deep, Gandalf rushed Theoden and his riders off to Gondor with minimal time for celebration and recuperation. Like most winners, he knew that you achieve ultimate victory by pressing down even harder on the gas pedal after each intermediate success.

“Success breeds success” is ancient wisdom, but it has never been more true. For example, in his book *Making the List: A Cultural History of the American Bestseller 1900-1999*, Michael Korda showed that during the 1990s, a small handful of well-known authors dominated both the fiction and nonfiction best-seller lists. Their success built on itself – but only because they kept writing even after they were successful. One of the criticisms that marketing guru Jack Trout levels against American corporations is that they often take market leadership for granted, and don’t exploit it to build their brands. That’s a mistake Gandalf would not have made – not to mention Tom Clancy, John Grisham or Stephen King.

**THE 12 KEYS TO**  
**Focus**

1. Focus your own attention on what's most important, then steer group focus in that direction.
2. Have a small, manageable number of key priorities at one time, then concentrate all possible resources on their achievement.
3. Cultivate a climate that fosters flexibility of thinking and adaptability of action directed toward the desired end.
4. Don't be tempted by distractions. As a leader, it's your job to distinguish between a distraction and an unexpected but prudent opportunity.
5. Be a monomaniac with a mission, or at least recruit one, and avoid being distracted by the nonessential.
6. Encourage small-team focus to maximize effectiveness.
7. Be clear and direct in your communications and ask for what you need in specific terms.
8. Put yourself in the center of things so you can network and connect in all directions.
9. Focus on each step along the road; there are no shortcuts to personal growth or great accomplishment.
10. Define your vision; the more clear and tangible it is in your mind and in your vocabulary, the more likely it is to become real in your world.
11. Don't allow gossip or idle chatter to distract your team's focus from key priorities.
12. Build continued success upon previous success.

## LESSON

## 8

## AWARENESS

*When Boromir spoke of “old wives’ tales” about Fangorn forest, Celeborn told him that wise people are not scornful of ancient knowledge, and that old wives’ tales are no less true for being told by old wives.*

Awareness has both an inner and an outer dimension. The leader must be externally aware, to see the world as it really is, defining both threats and opportunities. The leader must also be internally aware, cognizant of how the inner emotional landscape influences his or her understanding and interpretation of circumstances and events. Tom Bombadil seemed to have total awareness. Very little happened in his world without his being aware of it, which is why he was so quickly able to rescue Frodo and his companions from the old willow, and later from the Barrow-wights. He also had an acute inner awareness, resulting in mastery of fear and a joyous exuberance that was externally manifested in song and dance. Among the wisest and most powerful of Middle-earth, Bombadil alone was immune to being influenced by the One Ring of Power, and he alone could still see Frodo even after the hobbit had put on the Ring.

## **A LEADER FOR AWARENESS**

### **Andrew Grove**

Aragorn was able to lead the hobbits safely through a dangerous wilderness, and to track Merry and Pippin after they had been kidnapped by orcs because of his acute awareness. A bent blade of grass, and errant footprint, a bird's song (or the absence of a bird's song) all meant something to the ever-observant Aragorn.

Andrew Grove called his book *Only the Paranoid Survive* to make the point that, in the ultra-competitive world of high tech, the key to building and sustaining a successful organization is intense and multidimensional awareness. Intel is hyper-vigilant on many fronts: technological developments, including those outside of its immediate market; the actions and strategies of competitors and potential competitors; changing customer desires and market demand; the political and regulatory environments; and not least, trends on the inside of this large and complex organization.

Providing performance reviews for subordinates, Grove believes, is the single most effective way to help them improve performance. Awareness is essential in preparing the performance review, so it can be substantive and meaningful. Grove says, "It is very important to assess actual performance, not appearances; real output, not good form." Awareness is also essential in delivering the review, where you must make sure your subordinate understands the points you are making. "All the intelligence and good faith used to prepare your review will produce nothing unless this occurs," Grove says.

It is also vitally important to maintain an acute awareness of the outer environment. At one point or another, Grove says, every business will be confronted by what he calls a "aOX Force" that could bring about a "strategic inflection point," a massive change that will profoundly influence the direction of the business. If not successfully navigated, a strategic inflection point can cause serious trouble, or even failure, for the enterprise. On the other hand, it can also be the platform for new levels of growth and development.

In the case of Intel, strategic inflection points have helped the company solidify its market dominance. In 1984, low-cost Japanese producers of memory chips were a 10X Force on Intel's competitive horizon. Rather than fight a losing battle for a product category that was rapidly becoming a commodity, the company exited that business in order to focus on semiconductors, where the required technical sophistication provided higher barriers to entry by competitors. In a similar fashion, Intel used the public relations disaster of its flawed Pentium chip introduction in 1994 to build an organization more attuned to end users.

When you're in the middle of it, Grove says, it can be very difficult to detect a strategic inflection point. As a leader, though, you'll need to take action without having all the data, or even a complete understanding of the situation. But you must act, because in such a situation timing is everything. Grove says, "It's just a question of training your instincts to pick up a different set of signals. These signals may have been out there all along, but you may have ignored them. The strategic inflection point is the time to wake up and listen."

### **BE TODAY, SEE TOMORROW**

Like all great leaders, Gandalf was a master of paradox, including this one: To be ultimately successful, you must simultaneously keep your attention in the present and your vision in the future. In other words, *Be Today, See Tomorrow*. Gandalf kept his *attention* on the world around him: people, the terrain and weather, disposition of the enemy. Nothing escaped his attention. Yet at the same time, Gandalf fixed his *vision* on the world he wanted to see come about: Sauron defeated, the Ring destroyed, Aragorn crowned. His ability to bridge present and future was at the heart of his ultimate success at bringing about the results of which he had dreamed and for which he had planned.

One obvious example of the Be Today, See Tomorrow paradox is the advent of the "clicks and mortar" economy. Traditional companies ignore the irruption of online competition into their markets at great peril. Nevertheless, for the most part

they do not have the luxury of putting their current operations on the back burner while they work out new business models. They must continuously improve to remain competitive with traditional operators, and to generate the cash to fund innovation. At the same time, they must step out of their operations box to visualize and implement new business models to compete for the future.

Barnes & Noble is a good example of this dynamic. Almost overnight, the emergence of Amazon.com posed a serious threat to B&N's superstore strategy. The company had to respond immediately or risk being frozen out of a distribution channel that some were already predicting would make the traditional retail store obsolete. Yet if it faltered even half a step in the bookstore market, hungry competitors like Borders would eat it for lunch. B&N had to Be Today: Continue its relentless focus on creating an excellent customer experience at its existing bookstores, while opening bookstores in new markets before a competitor beat them to the punch. And it had to See Tomorrow: create an online business to compete with Amazon.com and other electronic booksellers to avoid being frozen out of the future.

### **BE AWARE OF YOUR VULNERABILITES**

When Frodo learned the terrible truth about the Ring, and that it had to be destroyed by being thrown into the fires of Mount Doom, he was horribly frightened. He did not have the strength, wits or courage for such a mission, he protested, and asked Gandalf to take the Ring from him. Gandalf was immediate and adamant in his refusal. The Ring would give him too great a power, he said, and eventually gain power over him. Gandalf was immediate and adamant in his refusal. The Ring would give him too great a power, he said, and eventually gain power over him. Even if he took it with the best of intentions to keep it safe and never use it, he would be overcome, and eventually undone, by his desire to wield it for good on behalf of the powerless.

In fast-changing times, it is easy to miss the point at which a great strength suddenly becomes a vulnerability, as witnessed by IBM and its mainframe computer dominance, by Xerox and its

long-term leases for copiers or AT&T and its long-distance telephone monopoly. In each case, the company's source of dominating power became a terrible vulnerability.

This often happens to entrepreneurs as their businesses grow: The very characteristics that made them so successful early in their careers cause them to be increasingly ineffective as the business grows beyond a certain point. In such cases, inner awareness can help the entrepreneur know when it is necessary to either change himself or to change his role within the company.

#### **PRACTICE FOUR-DOMENSIONAL AWARENESS**

Gandalf knew himself well enough to refuse Frodo's entreaty that he take the Ring. He knew the minds of Saruman and Sauron well enough to turn their ambition against them. He knew the terrain well enough to navigate a way through the Mines of Moria and bring an army to relieve the beleaguered forces at Helm's Deep. He knew the weather – and he recognized when changes in the wind meant the passing of an age in Middle-earth. In these respects, Gandalf was like the ideal commander described by Sun-Tzu in *The Art of War*:

Know the enemy, know yourself; your victory  
will never be endangered. Know the terrain,  
know the weather; your victory will be total.

That's great advice for today's leaders. Know yourself, your people and your organizations; know your customers and your competitors; know the terrain of the marketplace; and know the economic and regulatory climate. Do this, and you, too, shall be victorious.

#### **LOOK BEYOND YOUR BORDERS**

In speaking to Frodo about the hobbits' clannish tendency to see the Shire as their own little isolated and insulated world, Gildor the elf warned that they could fence themselves in, but they could not fence the world out. He could well have been speaking of the world of today, where the Internet is demolishing not only

geographic boundaries, but also barriers to entry, advantages of scale and scope, and even the advantage of physical presence. He could also, however, have been speaking of the arrogance of Detroit in the 1970s, the complacency of AT&T during the 1980s or the inertia of IBM during the early 1990s.

In *Market-Driven Health Care*, Harvard Business School professor Regina Herzlinger recommends a model that she says hospitals should study to improve the efficiency and the quality of their operations. It is (are you ready?) McDonald's, where consistency of the dining experience is a paramount goal. Hospitals have not been, she suggests, very open to looking outside their walls for ideas regarding how to radically enhance quality while simultaneously reducing costs, and to assure consistency of the patient care experience.

Speaking as a former hospital executive (I sometimes refer to myself as a "recovering hospital administrator") who has now worked with organizations in many other industries, I am farther away from the problems that hospitals face today, but much closer to the solutions they must embrace if they are to solve those problems. The essence of organizational creativity usually does not lie in creating new ideas and processes; rather, it lies in adapting those already being used by others in new and innovative ways.

### **RECOGNIZE GREATNESS IN THE APPARENTLY ORDINARY**

To an outside observer, one hobbit looked much the same as another. It took the discerning eye of Gandalf to see the hidden potential in Bilbo, Frodo and Sam. Gandalf had a fine eye for seeing the potential for greatness buried inside apparently ordinary characters. This awareness was at the heart of his ability to select and motivate team members for the most challenging of tasks.

This is perhaps the ultimate responsibility of – and test of – leadership: being able to discern, recruit, train, and motivate extraordinary people. This is, of course, the flip side of creating heroic self-expectations – in the hands of a transforming leader like Gandalf, it's hard to tell where the innate greatness of his followers

ends and the created greatness begins. But both sides of that coin (discerning and promoting greatness) require a high level of awareness. And that is a skill that can be cultivated by disciplining yourself to pay attention and ask good questions.

### **DON'T LEAVE ANGRY ENTS OUT OF YOUR PLANS**

When Bilbo and the Dwarves arrived at the Lonely Mountain, the cold reality hit them that they had no plan for disposing of the fire-breathing dragon who lived inside. Fortunately for them, when the dragon departed to visit devastation upon a nearby town, he was shot down by Bard the Bowman. In his plans for the conquest of Rohan, Saruman left the Ents out of his plans. Unfortunately for him, there was no bowman to come to his rescue when they visited their fury upon Isengard, and his plans fell into a heap of rubbish along with his city.

In today's business environment, the live dragons and angry Ents are less conspicuous than they were at the Lonely Mountain and at Isengard. Many a giant corporation has been shaken by an Ent working out of a garage or a basement. Nevertheless, one of the leader's key responsibilities is to anticipate threats and dangers that could interfere with the organization's plans, and in the process jeopardize the livelihood of its team members.

### **POST SOMEONE ON WATCH**

Whenever the Fellowship of the Ring stopped for the night, one of the members was posted to keep watch while the others slept. That's a good practice for any business: Post someone to monitor a certain trend, or to routinely read and analyze important trade periodicals. This creates two important benefits:

- First, it raises the organizational antennae to pick up on potential threats and opportunities.
- Second, it generates a greater sense of ownership and responsibility on the part of those who have been assigned a watch.

It's nearly impossible for any one individual to stay aware of all developments, potential dangers and worthwhile opportunities. However, having different members of your team keep track of specific areas makes the overall organization stronger and better able to succeed.

### **SEEK INSIDE INFORMATION**

Bilbo's chief role in the campaign against Smaug the dragon was to sneak into the beast's lair and return with information. On one of his forays, he discovered that Smaug had an unprotected spot on his belly. This was the spot Bard found with his black arrow.

Nearly 2,500 years ago, Sun-Tzu wrote in his classic *The Art of War* that the commander has an obligation to seek inside information, in other words, to use spies. Obviously, there is a broad spectrum of behavior that can be employed in this pursuit, from the illegal (wiretaps) to the unethical or unseemly (sifting through a competitor's garbage) to the acceptable (research on the Internet). The leader should be a voracious seeker of information; more important, he or she should teach others on the team what to look for and how to find it.

### **SEEK A GUIDE WHO KNOW THE TERRITORY**

Before leading his riders off to the relief of Gondor, Theoden consulted with Ghan-Buri-Ghan, chief of the wild men of the woods. From him, the king learned that the main road was held in force by the enemy, but that a hidden back road would lead his riders unimpeded to the city. Ghan-Buri-Ghan guided them along this secret passageway, and they rode on to a glorious victory.

It is astonishing that so few people who are in career transition, or who are planning to start a business, take the time to seek out people who have already done the same thing. As was the case with Theoden, having a knowledgeable guide can spell the difference between success and failure. In my own experiences of both starting a business and writing books, I have found that even the busiest and most successful people are more than willing to

share their experiences and knowledge with someone who is trying to do something worthwhile.

**DO NOT UNDERESTIMATE –  
OR OVERESTIMATE – A FOE**

Ask any Silicon Valley CEO which competitor he or she fears most, and chances are the answer will not be another technology company. Rather, it will be some kid working late nights in a garage somewhere, developing a concept that established companies have not considered or have dismissed as impossible or unmarketable. From Apple Computer in the 1970s to Napster in the late 1990s, home-based start-ups have seemingly come from nowhere to turn whole industries upside down.

Sauron would have been well advised to adopt the same philosophy with regard to watching his own competitive horizon. His sights were fixed on the conquest of Gondor, on glimpses of Aragorn snatched through the far-seeing palantir stones and on the wanderings of Gandalf and the army of seven thousand he and Aragorn led to the black gate of Mordor. And while he was thus occupied, Frodo and Sam slipped through the badlands of Mordor to Mount Doom, the very heart of Sauron's power, to destroy the Ring upon which the dark lord had staked everything. It was the Middle-earth equivalent of two kids in a garage taking on the established industry behemoth ... and winning.

Sauron disregarded seemingly insignificant threats the way IBM underestimated Steve Jobs and Bill Gates until it was too late. Jobs and Gates, on the other hand,, did not overestimate Big Blue. Like Frodo and Sam, they set out to achieve a gargantuan challenge with unflappable confidence – confidence that was based on their superior knowledge of the real magnitude of IBM's vulnerability.

**INCREASE YOUR VIGILANCE NEAR THE END**

When Frodo and his fellow hobbits were trying to escape the Black Riders to the safety of Rivendell, they were aided by the elf lord Glorfindel, who gave Frodo his own horse, which could outrun the

black steeds of Mordor. Glorfindel told his companions that the danger would be greatest just before the river, beyond which lay safety. In fact, knowing where the hobbits were headed, the Black Riders did try to cut them off at the river, and Frodo just barely escaped. Had he relaxed upon seeing the borders of the safe haven that was his immediate goal, he would have been captured.

Several years ago, the Coca-Cola company stumbled when it set aside its original formula in favor of a sweeter new Coke. At about the same time, Pepsi came on strong with its “Pepsi Challenge” ad campaign. For a while it appeared that Pepsi might be winning the cola wars. The people at Pepsi certainly thought they were, but their celebration was premature.

When the Pepsi CEO published a book with the self-congratulatory title *The Other Guy Blinked*, savvy investors should have known it was time to unload Pepsi and stock up on shares of Coca-Cola. Coke came roaring back with Coke Classic, and the Pepsi parade went flat. Today, though they may be trying harder, it appears that Pepsi has settled into a permanent number-two position in the cola market. Be as cautious at the end as you are at the beginning, Lao-tzu said, and there will be no ruined enterprises. It was good advice 2,500 years ago, and it’s good advice today.

### **KNOW WHEN TO MOLD**

#### **DESIRED DESTINY TO REALITY**

Galadriel the elven queen might have wished for a kinder destiny. A leader of enormous power and wisdom, she owned one of the three elven rings. She knew that Frodo’s Quest, however it turned out, would mean the end of the elves’ happy existence in Lothlorien, yet she aided the Fellowship anyway. Knowing that her desired outcome was impossible, she did not attempt to impose her wishes upon an inevitable reality.

Hubris is a word for the conceit that you can impose your will upon the world. One of the fine arts of leadership is knowing when to pursue goals that others believe to be impossible and to prove them wrong. But equally important is to know when to

accept the dictates of reality and modify your own sense of destiny. Corporate graveyards are full of companies whose CEOs were unable to make that distinction.

### **WATCH FOR SIGNS OF TROUBLE**

Shortly before Frodo and his companions were captured by the Barrow-wights, their ponies bolted and returned to the safety of Tom Bombadil's house. Bombadil later told them that the ponies could sense danger before the hobbits did, and should not be blamed for fleeing. In fact, had the hobbits been paying closer attention to their animals, they might have avoided the danger themselves.

When we aren't paying attention, we can get into trouble by missing the little warning signs, such as the scowl of a valued assistant when given one too many scut work assignments, the slight dip in sales during a quarter when they had been forecast to increase or the body language of a child upon whom a well-intentioned lecture is having an unintended effect. Awareness of small trouble, and the courage to deal with it immediately, can often stave off big trouble later.

### **RECOGNIZE ALIEN INFLUENCES ON YOUR BEHAVIOR**

When Frodo and his friends were overhauled by the Black Riders at the foot of Weathertop, he felt an overwhelming compulsion to put on the Ring. This was very nearly his undoing, for once he did so he became visible to them, and was stabbed by one of their poisoned knives. He later realized that he had not put on the Ring of his own volition, but in response to a command of the enemy.

Full awareness requires understanding the reasons for your actions and attitudes. In many cases, upon delving for root causes you will discover that what you had believed to be your own free choice was in fact something altogether different. You might be responding to the memory of a past event that is now buried in your subconscious, or reacting to fear, greed, anger or other emotions that can interfere with rational and authentic decision-

making. The more clearly you are able to recognize these alien influences for what they really are, the more thoroughly you will become a leader of authenticity whom others will want to follow.

### **MAKE THE BEST OF TIME IN THE WILDERNESS**

After his mortal struggle with the Balrog, Gandalf the Grey wandered for a time alone and desolate in the wilderness. Yet he emerged Gandalf the White, stronger and more powerful than he had been before.

After a time of trauma – loss of a job, business failure, a fractured relationship – time alone “in the wilderness” can be one of the most important ways of enhancing a new self-awareness. In our fast-paced society where busy is good and idle is bad, it’s often not easy for us to allow ourselves to take full advantage of this time alone. But as Candice Carpenter writes in her book *Chapters*:

What you have to remember is that you’re doing hard work even when you seem to be doing nothing. You’re shedding an old skin, the shell you’ve lived inside, the old way of knowing yourself and letting others know you.

If you pay attention and do the hard work of inner transformation, you can, like Gandalf, come out of the wilderness stronger and wiser than when you went in.

### **SUCCESS IS NOT ALWAYS “MORE”**

Gandalf epitomized the quality that Lao-tzu said characterizes the greatest of all leaders: When his work was finished, he departed, and those he left behind felt a sense of pride and accomplishment for what they had achieved. Gandalf had no need for personal glory, and did not pursue success for its own sake.

Some of history’s most celebrated conquerors ended their lives in failure because they lacked Gandalf’s wisdom and self-restraint. Alexander the Great died soon after his men rebelled against his demand that they gain him yet one more conquered enemy. Hannibal took his own life after having seen his army destroyed and his city conquered, the result of having overstayed

his welcome in Italy. Julius Caesar was cut down on the Senate steps by his friends, largely the victim of his arrogant ambition. Napoleon died a bitter and lonely man in a barren exile, having fallen from his perch atop Europe after falling prey to his insatiable lust for power.

When John L. Lewis was asked what labor wanted, he thundered, "More!" If your definition of success is simply "more," you are setting yourself up for a dismal ending with a lot less. One of the benefits of awareness is that it helps the leader distinguish between authentic ambition, which is a positive attribute, and self-centered delusions of grandeur, which often come before a fall.

## THE 12 KEYS TO

**Awareness**

1. Leaders must be aware of both the people and the world around them, and of how their own inner emotional landscape influences their understanding and attitudes.
2. Be Today, See Tomorrow. The secret of happiness is keeping your attention in the present; the key to success is keeping your vision in the future.
3. Look outside of your customary borders for potential threats and opportunities.
4. Be aware of your vulnerabilities, especially in changing times.
5. Look beneath the surface to discover the greatness in apparently ordinary people.
6. Knowledge is power, so cultivate an organization where people are hungry for information and understanding.
7. Seek guidance from those who have already succeeded at what it is you want to do.
8. Never underestimate or overestimate a foe – or any other problem, for that matter.
9. Keep an eye out for little problems that could, if untended, grow into big trouble.
10. Develop your awareness by becoming a more acute listener.
11. Recognize when you must mold your desired goals to reality; realize when you have achieved your goals and move on.
12. Pay attention to your own internal dynamic. Are you guided by authentic ambition or self-centered delusions of grandeur?

## LESSON

## 9

## SERVICE

*After Treebeard and his Ents destroyed Isengard, Gandalf told him that even though they had already done much, he needed to call upon them once more to help win the battle at Helm's Deep.*

The greatest leaders are intent upon serving, not being served, and they instill that philosophy throughout their organizations. Whenever Gandalf or Aragorn asked anyone for help, the answer was almost always yes. This was not because they were great and powerful; had Sauron or Saruman, who were also great and powerful, asked for the same thing, they would have been refused. It was because Gandalf and Aragorn devoted so much time to serving others before they tried to sell others on serving them.

## A LEADER FOR SERVICE

### Ray Kroc

Galadriel put the success of the Ring-Bearers' Quest and the future of Middle-earth above her own parochial interests. Even though she knew that Lothlorien and the elves who lived there would likely fade away once the Ring was destroyed, she nevertheless did all in her power to aid Frodo and his companions.

Ray Kroc was an entrepreneur who exemplified a success philosophy that is at least as old as Confucius: The surest way to success is helping others achieve success. Service was and remains a cornerstone of the four-point McDonald's success formula of Quality, Service, Value and Cleanliness. Kroc appreciated the link between success and service. He often said, "If you work just for money, you'll never make it, but if you love what you're doing and always put the customer first, success will be yours."

Kroc knew that real service excellence is more than fuzzy good intentions, that it requires discipline and hard work. He also knew that the better trained people are, the more capable they are of delivering excellent service. He founded Hamburger University (Oak Brook, Illinois) in 1961 to teach managers and franchisees how to enhance their success through service excellence. In his afterword to Kroc's book *Grinding It Out: The Making of McDonald's*, Robert Anderson wrote that Kroc's "greatest skill was as an instinctive leader who brought entrepreneurs into a structure that both forced them to conform to high standards of quality and service and freed them to operate as independent businesspeople."

One of the factors that helped McDonald's emerge on top in a very competitive market was Kroc's commitment to the success of his franchisees. Toward the end of his life, when he was asked about his proudest accomplishment, he responded that he had helped more people achieve their dreams of financial independence than anyone before him. Though Kroc did not himself draw a salary during the first eight years he headed McDonald's, many

who obtained franchises during those early years became millionaires.

Kroc also committed himself and his company to service through charity. The Kroc Foundation supported research, prevention and treatment for a variety of different diseases. One of the most visible charitable initiatives in the world was McDonalds' creation of the Ronald McDonald House program to provide housing for parents of seriously ill children who otherwise might not have been able to stay with their youngsters who were undergoing treatment far from home.

### **A TREASURE SHARED IS A TREASURE MULTIPLIED**

When the nine members of the Fellowship of the Ring were about to leave the mystical elf haven of Lothlorien, Galadriel gave each of them a gift that was a special reflection of who they were and what their needs would be. To Sam the hobbit, who before the Quest had been a gardener, she gave a small box of the dirt that gave such vitality and beauty to the flora of Lothlorien. Upon their return to the Shire after the War of the Ring, the hobbits found it in ruins, its trees cut down and its gardens destroyed.

When the villains responsible for the destruction had been chased off, Sam traveled to all corners with his little box of dirt, sprinkling it into the gardens, lawns and woods. Soon, the Shire was more beautiful than ever before, and Sam was among the most respected of all hobbits. Of course, he could have kept all the magic dirt for his own garden, hoarded it away in the way Thorin Oakenshield had tried to keep the entire treasure recovered from the lair of Smaug. But then, although his own garden would once again have been beautiful, the rest of the Shire would have been much poorer in comparison. And rather than being respected and loved, Sam would have been envied and resented, just as Thorin was. In more ways than one, a treasure shared is a treasure multiplied.

In recent years, one of the world's great business success stories has been Cisco, which dominates the market for the gear that makes up the functional skeleton of the Internet. Not only did the company set one record after another for growth of revenues and its stock price, it also created a working environment that promotes incredible loyalty and longevity in an industry that is known for rapid turnover.

One of the secrets of Cisco's success was its very generous distribution of stock options, which helped CEO John Chambers "build what is arguable the deepest management team in the [Silicon] Valley," according to *Fortune* magazine. But Cisco doesn't just share the wealth with executives, as is the case at many other companies. Non-managers own about 40 percent of the company's stock options. Many long-term employees are now millionaires who could probably retire, but the company has not seen people take the money and run. With that motivated workforce, Chambers and his team, in record time, built one of the world's most valuable companies, making many people wealthy in the process. By sharing the treasure, they multiplied it.

### **SERVICE IS A GREAT TEACHER**

Neither Merry nor Pippin expected or received compensation when they placed themselves at the service of Theoden and Denethor, respectively. Quite to the contrary, they were put to work and sent into harm's way while subsisting on soldier's rations and slave's pay. Nevertheless, both hobbits gained a great deal as a result. Serving in trusted positions at the sides of Middle-earth's greatest rulers gave them confidence and expanded their vision of the possible. Service broadened their circle of contacts, and heightened their credibility within that circle. And upon their return from the War of the Ring, when they had to organize the hobbits of the Shire to eject Saruman and his henchmen, they were able to apply the lessons they had learned about effective leadership.

Mark Zitter is founder of The Zitter Group, a healthcare consulting firm focusing on the pharmaceutical and managed care industries. Since 1994, he has also served as chairman of the

board of the San Francisco Jazz Organization, the nation's largest not-for-profit provider of jazz events. Over those years, the organization has grown substantially in virtually every measure, and Zitter feels that his volunteered services have contributed to the organization's success.

But he has also gained a great deal from the relationship. Being at the head of a high-powered board has taught him to be a better leader, and organizing unpaid volunteers has helped him become a more effective motivator. And like Merry and Pippin of the Shire, through his volunteer work Zitter has become a more integral and respected member of his community. Perhaps most important, his enthusiastic commitment to this volunteer work has created a stronger sense of authenticity and the satisfaction of well-earned self-esteem.

### **SHOW UP WHERE YOU ARE MOST NEEDED AND LEAST EXPECTED**

Gandalf the peripatetic wizard had a penchant for showing up where he was most needed and least expected. This was partly because he had an intuitive grasp of where he was needed, and partly because he was always on the move, thereby increasing his odds of being at the right place at the right time. Gandalf could be considered a fictional progenitor of the management-by-walking-around (MBWA) method pioneered at Hewlett Packard.

I had the privilege of observing the real-world creator of MBWA in action. In the summer of 1984, I was working at Hewlett-Packard between the two academic years of business school. That was a down period for the technology industry, and as an alternative to layoffs, HP had just implemented an across-the-board reduction in hours. Of course, most professional employees ended up working the same number of hours for less pay. Though people were uniformly proud to be working at a company where The HP Way valued people and eschewed the quick fix of job cuts, nobody was particularly happy with a pay cut, even though it was temporary.

One Saturday morning I was working in the office of the new Personal Computer Group. It was a quiet morning, and the mood was pretty glum. About mid-morning, a very tall and distinguished older gentleman walked through the big open area where we all had our desks. He stopped often, putting his hand on someone's shoulder to listen as they explained something to him.

"Do you know what you just saw?" my friend at the adjacent desk asked after the man had left. "That was Dave Packard, practicing management by walking around." Though he was at the time officially retired from HP, that morning Packard showed up where he was most needed and least expected. For the rest of the summer, I did not hear a single complaint about smaller paychecks.

### **BE A HEALER**

In the eyes of many, the ultimate proof that Aragorn truly was Isildur's heir, and by rights King of Gondor, was his power to heal wounds inflicted by weapons of the dark lord, Sauron. When Gandalf was forced to choose between succoring the wounded in the Houses of Healing and facing the captain of the Black Riders on the field of battle, he felt compelled to be a healer.

Following his victory at Yorktown, George Washington allowed the British to surrender with dignity, and began the long process of healing his war-ravaged nation. After taking Lee's sword at Appomattox, Ulysses S. Grant extended generous terms to the former secessionists in an effort to begin healing the deep wounds that would scar his country for generations to come. After engineering the unconditional surrender of Nazi Germany, George C. Marshall oversaw the Marshall Plan to rebuild the nations of his former enemies. It is no wonder that each of these warriors and healers went on to hold important leadership positions for their country.

### **BE A STEWARD**

When Denethor mocked Gandalf for his naiveté in trying to save Middle-earth from what he perceived as the invincible power of the dark lord, the wizard replied that, no matter how dire the present circumstances, he had a stewardship responsibility for everything worthy and beautiful. Gandalf believed that real leadership required a commitment to caring for the environment, not exploiting it in the manner of Sauron and Saruman.

Marine artist Wyland is fighting to protect whales and other ocean creatures that are defenseless against the ravages of humankind. To draw attention to these precious but endangered creatures, Wyland has painted more than eighty gigantic ocean murals called “Whaling Walls.” He has also established the Wyland Foundation to protect and preserve the planet’s oceans and their inhabitants and launched the Wyland Ocean Challenge to help schools teach children about maritime ecology.

Again we encounter the paradox of serving: Wyland is the most successful and respected marine artist in the world – not because he set out to accomplish that, but because success and respect are the natural by-products of his caring and commitment to being a steward for the world’s oceans.

### **CONNECT PEOPLE**

Gandalf was the ultimate connector. He connected the dwarves with Bilbo for the adventure against Smaug; connected the hobbits with Strider for the journey to Rivendell; connected the Ents with the Riders of Rohan for the triumph at Helm’s Deep. The ability to connect people is one of the greatest of services in today’s networked world, and also lies at the heart of effective team building.

Mark Breier has a company that specializes in connecting people who want to start a business with those who want to invest in a start-up business. Fastangel.com is filling a void in the venture capital market that was created when traditional venture capital firms got too big to consider most garage-level start-ups. Breier’s company connects start-up entrepreneurs with angel

investors, works with the company to help it grow to the level where it will be considered by a conventional venture capital firm and then makes that connection. The company adds value for angel and venture capital investors by prescreening investment opportunities, and for entrepreneurs by opening doors for them and making sure that they are ready when they step across the threshold.

### **ASK FOR THE HELP YOU NEED**

For all his magical wizard powers, what ultimately made Gandalf so formidable was his willingness to ask others for help. He asked Beorn to provide for Bilbo and the dwarves as they recovered from their encounter with goblins and prepared for the trek onward to the Lonely Mountain. He asked Frodo to leave his beloved Shire with the Ring, knowingly putting the little hobbit in mortal danger for a greater good. On multiple occasions, he asked Gwaihir, lord of the eagles, to bring his mighty birds into battle, or to rescue him and his companions from danger.

Gandalf increased the likelihood that his requests for help would receive a positive response by having first demonstrated a selfless commitment to service. It was clear that he was never requesting assistance for personal aggrandizement. J.R.R. Tolkien himself used Gandalf's formula with great success in one of the early battles that broke out over publication of *The Lord of the Rings*.

In 1965, the trilogy was receiving excellent reviews and visibility, especially on American college campuses, but sales were greatly hindered by the fact that it was available only in an expensive hardcover edition. The authorized paperback edition was slow in coming out, partly because Tolkien was procrastinating on making necessary revisions. That year another publisher (Ace, which specialized in science fiction) brought out an unauthorized edition, for which Tolkien received no royalties. Through his extensive correspondence, Tolkien had built quite a following in America. He began asking people not to purchase the unauthorized edition. Very shortly, sales of the Ace edition plummeted and an amicable settlement was reached.

Tolkien's unconventional strategy of asking for help from his loyal readers had the desired effect of driving the unauthorized version off bookstore shelves. Of more lasting significance, the publicity helped propel the authorized Ballantine paperback edition of *The Lord of the Rings* onto the best-seller lists, and to reinforce the cult-like status that Tolkien and his books were beginning to garner on college campuses. By asking people to help, Tolkien transformed a fad into a movement.

### **ASK FOR VOLUNTEERS FOR THE TOUGHEST JOBS**

When choosing members for the Fellowship of the Ring, Elrond made it clear that he could not command anyone to participate, but that each member must volunteer of their own accord. Had they merely been enacting elements of a job description rather than pursuing a mission for which they had volunteered, it is unlikely that any of the participants would have risen to such incredible levels of heroism and self-sacrifice.

When the Alamo was surrounded by the Mexican army, and its defenders outnumbered by more than ten to one, commander William Travis drew a line in the sand with his sword. He invited those who chose to stay and fight in this desperate situation to step across that line, giving any others leave to escape while there was still time. All 180 men stepped across that line. For the next thirteen days, they held off a vastly superior force. And on the day of the final assault, to a man they died fighting. Their sacrifice made it possible for Sam Houston to raise the army that ultimately beat the Mexicans, and secured the independence of Texas. Like Gandalf, Travis knew that in the toughest situations, volunteers are most likely to give it their all.

### **SERVE YOUR WAY TO GREATNESS**

Long before he became king, Aragorn spent many years as a Ranger, enduring untold danger and privation protecting his people from evil. If he had waited until he was king, he would

have had greater resources at hand, and would not have run the terrible risks that could have killed him long before his coronation. Had he waited to become king before being a servant, however, he would probably never have become king. Service was a key factor in his greatness.

Of the many speakers I hired for our big Never Fear, Never Quit conferences, three reached out to help in a way that was far above the call of duty:

- Thomas J. Winninger is a leading authority on business strategy and past president of the National Speakers Association. He invited me to spend a day at his offices in Minneapolis learning everything I could about how he ran his business; later, he served on the faculty of our Never Fear, Never Quit Speakers and Trainers school.
- Ed Foreman is president of Executive Development Systems and has the distinction of being the only American elected to congress from two different states in the twentieth century. Foreman invited me to participate as his guest in one of his three-day executive development retreats.
- Mark Victor Hansen is co-author of the best-selling *Chicken Soup for the Soul* series. He invited me to be his guest at one of his annual seminars on growing a speaking and writing business.

None of the three had anything to gain from their invitations – they simply wanted to help. I am certain that the reason for their celebrity status within the field of professional speaking derives directly from this commitment to service. They are each an example of serving your way to greatness.

### **SET AN EXAMPLE OF SERVANT LEADERSHIP**

After the battle for Minas Tirith, Aragorn was called to the Houses of Healing to help Faramir, Eowyn and Merry, each of whom had been injured in the desperate fighting outside. Seeing how dreadfully tired Aragorn was, Eomer encouraged him to rest and

eat before he went in. Aragorn demurred, saying that the needs of his people must be put before his own. Time and again, Aragorn's example was even more commanding than his words. He was the quintessence of servant leadership. One of the most eloquent definitions I've seen of servant leadership is this description of Spartan King Leonidas, from Steven Pressfield's *Gates of Fire*, a fictional recounting of the legendary battle of Thermopylae, where three hundred Spartans held off a vastly superior Persian force, saving Greece from conquest:

A king does not abide within his tent while his men bleed and die upon the field. A king does not dine while his men go hungry, nor sleep when they stand at watch upon the wall. A king does not command his men's loyalty through fear nor purchase it with gold; he earns their love by the sweat of his own back and the pains he endures for their sake. That which comprises the harshest burden, a king lifts first and sets down last. A king does not require service of those he leads but provides it to them. He serves them, not they him... A king does not expend his substance to enslave men, but by his conduct and example makes them free.

### **BE A GENEROUS GIFT-GIVER**

Just before Frodo left Rivendell with the Fellowship, Bilbo gave him the mithril coat he had taken from Smaug's cavern many years earlier. Mithril, Bilbo told his nephew, was extraordinarily strong and would protect him from spear, arrow and sword, as Frodo would soon learn for himself. Bilbo did not mention that mithril was also the most valuable and coveted material in all Middle-earth, far more precious than silver or gold. He told him simply to keep it on at all time (it was light and comfortable) and to keep it covered. When Gimli the dwarf learned of the gift later, he was astounded by Bilbo's generosity. Bilbo himself seemed to have thought nothing of it. He was not interested in treasure, only in the safety of his nephew.

In *Nuts! Southwest Airlines' Crazy Recipe for Business and Personal Success*, Kevin and Jackie Freiberg recount the story of how Colleen Barrett, Southwest's Executive Vice President for Customers (and now co-CEO), was concerned about the slipping performance of a customer service agent. She spoke with the employee, who explained that she'd been through a difficult divorce and custody battle, and was now struggling with \$1,800 in legal fees. Several hours after the meeting, the employee received an envelope with a note of encouragement and \$1,8090 from Barrett's personal account. This is by no means an isolated incident, according to the authors.

Southwest Airlines is fueled by the sort of friendly and loving relationships that kept the Fellowship of the Ring going through dark days and dangerous places. At a meeting held to discuss the very survival of Southwest during a serious downturn in the Texas economy, Barrett listened to all the other assembled executives. In response to the concerns she heard expressed by her colleagues, Barrett said: "The most critical issue we face is not pricing, costs or the dismal state of the economy; it is whether we have the courage and the will to keep love alive." As long as Southwest maintains that courage and will, and sustains its commitment to a serving culture, it will not only survive, it will continue to be a role model for every other organization in the world.

### **STAND BY FALLEN WARRIORS**

After King Theoden fell in the battle for Minas Tirith, his nephew and heir Eomer posted a guard to protect the body from depredations by his enemies, even as the battle raged. Perhaps these warriors could have been more productively used killing orcs that in protecting the body of their dead king, but Eomer knew that sometimes intangibles must be weighed into the equation.

It is often not possible for leaders to prevent members of their team from falling – in battle or in business. It is, however, usually within their power to help them get back up. When Charles Schwab had to lay off 10 percent of the staff at the company named after him, he and his wife set up a \$10 million

fund from their own money to provide tuition reimbursement of up to \$10,000 a year for two years to help laid-off employees return to school. Schwab told *Fast Company* magazine: “I feel a responsibility to these people. And I wanted to deliver the message that we as a company know that, in time, we are going to grow into needing many of these people back. And maybe they will consider coming back.”

### **GET OUT OF THE OFFICE**

Sauron never left his stronghold in Mordor, and Saruman rarely ventured forth from his tower in Isengard. For intelligence about the world outside, they both relied on reports from agents. As a result, both made fatal errors based on incorrect assumptions and faulty or incomplete information. Gandalf and Aragorn, by contrast, didn’t even have “offices” to hole up in. In their service to others, both traveled far and observed much. As a result, they had a superior grasp of circumstances and a more highly informed strategic sense.

Two of the most successful CEOs in the computer business are Michael dell of Dell Computer and John Chambers of Cisco. Both are known for being highly visible within their organizations, and for spending an extraordinary amount of time with customers. Those examples permeate their companies, which largely explains why Dell and Cisco seem to make so many good decisions, and to have earned such strong customer loyalty.

### **PLANT SEEDS OF SERVICE**

One of the most productive heroes in Tolkien’s work was Gwaihir, lord of the eagles. In *The Hobbit*, Tolkien tells us that Gandalf had rendered a service to Gwaihir in the distant past. The crop that Gandalf harvested from that seed of service was extraordinary. Gwaihir rescued Gandalf, Bilbo and the dwarves from goblins and wolves. With his flock he turned the tide in the Battle of Five Armies. He rescued Gandalf from imprisonment by Saruman in the tower of Orthanc. And it was Gwaihir’s eagles that helped Gandalf and Aragorn defeat Sauron’s army before the gates of

Mordor and that rescued Frodo and Sam from certain death after the eruption of Mount Doom.

How would you like a job where your daily commute took you through some of America's most spectacular national parks? Until recently Jerry Thompson was Southwest Regional Director for Merchandise Operations of Amfac Parks and Resorts. It was the ideal job for someone who loves hiking and the outdoors. For Thompson, it was the harvest of a "service seed" planted eight years earlier. He had been a regional vice president for a large hotel chain. When a co-worker lost a job, Thompson helped him find another. Later, Thompson himself got downsized, and the former colleague called "from out of the blue" to offer him the perfect job – one he likely would never have found through the usual job search techniques. By planting the seed of service in helping a friend in need, Thompson reaped a great reward later on.

### **PRACTICE RANDOM ACTS OF GENEROSITY**

After Tom Bombadil had rescued Frodo and his companions from the Barrow-wights, as a way to break the wights' spell forever, he brought a pile of gold and other treasures from the mound and left it all in a pile, free to any who would come along and take it. Leaders are often in the win-win position of being able to gain by giving away, but only if they recognize it.

In his earlier enlightened days, Henry Ford raised the wages of his workers well beyond the norm, so they could afford to buy his cars, thereby giving a win to reap a win. The strongest of today's high-tech companies have earned substantial productivity and intense loyalty from their best people through the generous use of stock options. But gifts need not be material to be effective. Southwest Airlines has earned a reputation for being generous with love, as reflected in the birthday and sympathy cards, frequent recognition and celebration events, and the personal expressions of affection and gratitude shared by members of the organization. As you give away, in greater proportion shall you (eventually) receive. It is ancient wisdom that is eternally relevant to the art of leadership.

## **THE 12 KEYS TO Service**

1. Share the wealth to multiply the wealth.
2. The more you put yourself in the service of others, the more you will increase your confidence and expand your vision.
3. Make it your goal to show up where you are most needed and least expected.
4. Think of yourself as a healer of people and as a steward of the earth.
5. Build your own network by finding ways to connect people who need each other.
6. Be generous in giving away your time, money and other resources.
7. Plant seeds of service in whatever you do.
8. Be willing to ask for the help you need to achieve your goals.
9. Serve your way to greatness; set an example of servant leadership.
10. Stand by your people when they fall.
11. Get out of the office and circulate to increase your opportunities to be of service.
12. Practice random acts of generosity. As a leader you are in the win-win position of being able to gain by giving away.

## LESSON

## 10

## INTEGRITY

*When Bilbo escaped alone from the cavern of the goblins, he determined that whatever the risk to himself, his duty was to go back to try and help his friends.*

Integrity includes four essential elements: *honesty* (with yourself and with others), *reliability* (doing what you say you're going to do, when you say you're going to do it), *humility* (not demeaning or diminishing others) and *stewardship* (taking care of the resources given to your trust). Faramir was the younger brother of Boromir, whose attempt to take the Ring from Frodo by force nearly brought down catastrophe upon the Fellowship. Yet, unlike Boromir, Faramir was honest with himself about his incapacity to control the ring; held to his promise that he would help Frodo in any way possible to fulfill the Quest; did not implicitly diminish the hobbits for being mere "Halflings"; and fulfilled with absolute fidelity his obligation to maintain the realm of Gondor for the coming of the king. His integrity was vital to the success of the Ring-bearer's Quest, and assured his own place of honor in Middle-earth after the triumph over Sauron in the War of the Ring.

## **A LEADER FOR INTEGRITY**

### **Katharine Graham**

Standing up against Saruman, head of the White Council, the order of wizards to which Gandalf belonged, was a difficult and unpleasant challenge. But for Gandalf, it was a matter of integrity to reveal and confront Saruman's duplicity.

When her husband died unexpectedly in 1963, Katharine Graham was thrust into the position of managing the family-owned *Washington Post*, a position for which she felt seriously unprepared. During the early 1970s, she was faced with a series of challenges that were to profoundly influence her newspaper and the nation, and that tested, and ultimately reinforced, her own sense of integrity, including her decision to publish the Pentagon Papers and cover the Watergate story.

Fortunately, she had a strong heritage upon which to draw. Her father, who had purchased the *Post* when it was a small struggling newspaper, had taken some tough stands, including being one of the few who in the days after Pearl Harbor, opposed discrimination against Americans of Japanese descent. During the years Graham's husband ran the *Post*, he encouraged congressional action on organized crime, spoke out against racial segregation, supported civil rights legislation and opposed the red-baiting smear tactics of Senator Joseph McCarthy.

One of Graham's most notable characteristics was humility. She rarely took personal credit for the paper's successes, but was quick to accept blame for its failings. According to Jim Collins, author of *Good to Great*, Graham's humility was a key factor in the *Washington Post* emerging as one of the world's foremost newspapers.

When an important issue was involved, Graham was determined to do the right thing, regardless of the risk. When the *Post* published the Pentagon Papers despite opposition by the Nixon administration, the controversy could have jeopardized the process of the *Post's* going public, which was then under way.

Later, the *Post* faced significant risks in publicizing Watergate, including the threat that licenses for television stations the company owned would not be renewed. The battle went on for more than two years. As Graham later wrote, “We paid a heavy price, not only in money but in concern, distraction and erosion.” Graham took two key steps to assure that her organization acted with integrity during these challenges. First, with her editors she “resolved to handle the story [of Watergate] with more than the usual scrupulous attention to fairness and detail,” and laid down special rules to this end.

Second, she was constant in her support of reporters and editors, and insulated them from outside pressures to drop the story. As *Post* columnist David S. Broder wrote shortly after her death, “In hundreds of smaller ways, she encouraged those who worked for her to dig out stories – and let her worry about the consequences. She, more than anyone else, made it clear there were no sacred cows, no subjects to avoid or people who were off-limits, even if they happened to be her friends.”

### **HONOR THE FOUR CORNERSTONES OF INTEGRITY**

Aragorn was a role model of integrity. He was completely honest, and never blamed others for his mistakes or failures. He was reliable, showing up in time to make a difference at the battle for Minas Tirith, even though it meant traversing the dreadful Paths of the Dead to get there. He was humble, treating simple hobbits with the same respect he would accord a prince or a king. And he was a steward, who had devoted most of his life to protecting the land and lives of simple people.

A failure of integrity can be quickly fatal to a business. A good example is Enron Corporation, which for a time dominated the arcane world of international energy trading and was considered one of America’s most successful businesses. But in late 2001, the company almost literally disintegrated in the largest and most sudden corporate bankruptcy ever. Enron failed in large

part because its executives violated each of the four essential elements of integrity.

The first problem was that the company's hubris (the antithesis of humility) was virtually unbounded; Enron executives displayed absolute and arrogant disregard for those who stood between it and its goals.

Second was a failure of honesty: The company did not disclose essential facts in a clear and understandable way, causing great confusion among investors and regulators. In order to keep large amounts of debt off the company balance sheet, and thus away from the prying eyes of analysts and regulators, the company established a series of partnerships. These "were set up to hide Enron's problems, inflate earnings, and personally benefit the executives who managed some of them: (Wendy Zellner and Stephanie Anderson: "The Fall of Enron," *Business Week*, December 17, 2001).

Third, Enron violated the principle of reliability by repeatedly surprising analysts and investors with bad news concerning inappropriate transactions that had been hidden off the company's balance sheet. Worse, even as many Enron executives were enriching themselves by selling company stock that they alone knew, or certainly should have known, was headed for trouble, some twelve thousand Enron employees were locked into a retirement plan that was funded with company stock and in fact were being encouraged by their leaders to buy even more stock in the sinking ship. The unfortunate employees could only watch helplessly as the people they had relied on to secure their retirement instead allowed greed and personal ambition to destroy the once high-flying company.

As a result of its mismanagement, Enron was ineffective as a steward of its investors' money; by the time it tailed, Enron had lost more than \$50 billion in shareholder value. Shares of stock that were once worth \$90 had dropped to mere pennies a share. According to *Business Week*, "Had the Federal Reserve and other central banks not flooded the global economy with liquidity . . . Enron's collapse could have posed a deep threat to the financial markets."

### **DESIGN YOUR CHARACTER, THEN BUILD IT**

At the beginning of *The Lord of the Rings*, Sam Gamgee was a simple gardener. When Gandalf told him he would go with Frodo on the Quest, he was as happy as a puppy about to be taken for a walk. However, it quickly became evident that this would not be a summer lark. Sam, Frodo and the other hobbits were pursued by the ominous Black Riders, and warned of even greater perils by the elves they met several days into their journey. When Frodo asked Sam if he still wanted to come along, Sam replied that he could somehow see ahead down a dark and perilous path, but that there was a mission he was bound to fulfill. He would not turn back until it had been accomplished.

In one of his letters, Tolkien said that he had been impressed by the degree to which a person could consciously design and then develop character in a desired direction. The four hobbits who left the Shire with the Ring, each in his own way, consciously molded their characters to become more than what they were. The leadership lessons presented in this book can help facilitate your thinking about the type of person you want to be, then provide a framework for consciously molding your character in accordance with your image of the ideal, meant-to-be-you.

### **BE ALERT FOR ETHICAL ISSUES**

Presumably, Saruman had been a wizard of integrity at one time, which is why he was appointed head of the White Council. In his quest for personal power, however, he exchanged integrity for personal ambition. He may have started out with the best of intentions, and to the very end seemed to not even perceive the depths of immorality into which he had fallen. It's a problem often seen in business.

Norman R. Augustine is former CEO of the Lockheed Martin Corporation. In his introduction to the book *The Good, the Bad, and Your Business: Choosing Right When Ethical Dilemmas Pull You Apart* by Jeffrey L. Seglin, Augustine writes: "Most people who get themselves – and their companies – into serious trouble are decent

people: they just make one colossal mistake . . . usually because they don't stop to think before it's too late."

Integrity often rests upon awareness —taking the time to understand and to think about potential ethical issues before taking action.

**BE COMPASSIONATE TOWARD WEAKNESS  
BUT RUTHLESS TOWARD EVIL**

Gandalf urged mercy and compassion for that wretched little creature Gollum, yet showed no mercy to orcs. He understood that in his weakness Gollum had fallen under the power of the Ring, but still held out hope that he might be saved. Orcs, on the other hand, were evil through and through, beyond hope of redemption. An orc on the loose would always be a threat to the lives of decent folk, so Gandalf did not hesitate to send them forth into whatever next world would await them.

I was recently speaking with the CEO of a client organization. He had asked for my advice about a particular employee who was a high performer, but who consistently treated people badly and was not particularly trustworthy. One of the things I admire about this CEO is his compassion and patience, but in this case I gave him the same advice I believe he would have received from Gandalf: No organization can afford to harbor orc-like employees, no matter how much they contribute to short-term profitability.

**FORGIVENESS IS SUPERIOR  
TO VENGEANCE**

Every time Gollum had a sword tip at his throat, he was let go. Gandalf, Aragorn, the elves, Bilbo and Frodo each in turn declined the opportunity to end the life of the troublesome little wretch. When Sam, who despised Gollum more heartily than anyone, had him at sword point at the foot of Mount Doom, he also relented. And so in the end, Gandalf's prophecy that even Gollum might play some role in the destruction of the Ring came to pass as Gollum bit

off Frodo's finger and fell with it and the Ring into the fires of destruction. As the members of the Fellowship awaited what appeared to be their impending doom amidst the wreckage of Mordor, Frodo remembered Gandalf's words and told Sam that they should now forgive Gollum, whose death had ironically consummated their Quest.

In any organization, there will be disagreements, and feelings will be bruised. Small grievances may fester, and grudges can be carried for quite a long time. This sort of negative energy inhibits smooth operations and can lead to counterproductive behaviors. Creating a culture of understanding and forgiveness can do much to overcome such problems, allowing energy to be focused on important priorities and an environment of integrity to flourish.

Jackie Pflug, author of *Miles to Go Before I Sleep*, was a speaker at one of my *Never Fear, Never Quit* conferences. During an ill-fated airline hijacking, Pflug had been shot in the head by a terrorist, and spent years trying to regain normal day-to-day functions. Even years after the conference, people still remark upon the incredible peace and joy that Pflug exuded from the stage. The most important step she took in liberating herself emotionally from this tragic and traumatic event, she later told me, was forgiving the men who had treated her so brutally.

### **REACH OUT TO BUILD TRUST**

One of the things that made Gandalf such an effective leader was that he reached out to toners in a way that built trusting relationships. He asked people to undertake great challenges, and they agreed because he had earned their trust. Bilbo agreed to Gandalf's invitation to join the dwarves on their expedition to the Lonely Mountain because he trusted him. The other members of the Fellowship of the Ring followed Gandalf into the Mines of Moira because they trusted him. And the Ents consented to Gandalf's request that they help at Helm's Deep because they, too, trusted him.

Northern Arizona Healthcare (NAH) was created through the merger of previously bitter competitors in Flagstaff and Cottonwood. Both were planning what would have been

duplicative new facilities in Sedona. Joseph M. Kortum, who was then CEO of Flagstaff Medical Center, worked hard to break the cycle of mistrust. He had to gain the trust of his competitor, but it was just as difficult to convince people in his organization to be more trusting. It took several years, but today NAH is the dominant healthcare provider in northern Arizona and Flagstaff Medical Center has doubled its referrals from outside the metropolitan area.

### **WALK IN THE OTHER PERSON'S SHOES**

Gandalf had incredible empathy. His ability to put himself in someone else's shoes was in many cases more important than his magical powers when it came to achieving the results he desired. He approached Bilbo and Frodo, who in external appearance were quite similar, very differently because he knew that while Bilbo was at heart an adventurer and a poet, Frodo was more of an introvert and a thinker.

The main reason he was able to beat Saruman in their battle of wits was because he clearly perceived what was going on in the evil wizard's mind, whereas Saruman merely projected his own fears and ambitions onto Gandalf. Most astounding, Gandalf was even able to empathize with Gollum in a way that could never have been anticipated. The mercy Gandalf counseled when even he understood that mercy was the last thing Gollum deserved set the scene for the climactic destruction of the Ring.

Eric Harvey is President of The Walk the Talk company, a corporate consulting and training business located in Dallas. He and his colleague Steve Ventura have written a series of books that go right to the heart of the importance of empathy. One of them is entitled *Walk Awhile in My Shoes*. One half of the book is a message from managers to employees. The other half is a message from employees to managers. Each section concludes with an identical request:

Remember that I'm Human. Before you judge me or decide how you'll deal with me, walk awhile in my shoes. If you do, I think you'll find with more understanding we can meet in the middle and walk the rest of the way together.

### **DO NOT TOLERATE EVEN SMALL EVILS**

Elrond told those assembled at his Council that great evil can grow from tiny seeds. Boromir was a valiant warrior, and certainly not an evil man. Yet he caused great harm when what started as a tiny seed of lust for the Ring grew beyond his control. By contrast, both Gandalf and Galadriel rejected Frodo's entreaties to take the Ring from him. Both were considerably more powerful than Boromir, yet each realized that even with the best of intentions the evil of the Ring, small though it might be in the beginning, would eventually overwhelm them, and turn their own power to evil.

A leader must be uncompromising when it comes to illegal or unethical behavior. One wink, one look the other way, and even a tiny seed of impropriety can grow in undesirable directions.

### **DO NOT CONFUSE KINDNESS WITH WEAKNESS**

Sam was often dismayed by the kindness Frodo displayed toward Gollum, the vile creature who had become their guide into Mordor. But when Gollum tried to take advantage of Frodo's kindness, and what he perceived to be a sign of weakness, Frodo responded by threatening Gollum with death. Even Frodo, the kindest and most gentle of hobbits, knew that there are times when it's necessary to be firm.

Frodo's example offers two valuable lessons. First, being kind does not mean you can't be tough. Indeed, the contrast will make your occasional firmness all the more effective. Second, when you see it in others, do not, as Gollum did with Frodo, automatically equate it with weakness.

### **GIVE CREDIT, TAKE BLAME**

At the Council of Elrond, Gandalf blamed himself for not having acted faster on his suspicions about the Ring, though he could have blamed Bilbo for withholding information about how he came to find it in the first place. After orcs had killed Boromir and made off with Merry and Pippin, Aragorn took full responsibility, though

Frodo and Boromir could easily have been blamed. Yet when it came to recognition for positive accomplishments, both Gandalf and Aragorn were quick to give credit to others, even when they could justifiably have taken it for themselves.

John H. Dexter has provided visionary leadership for the Trevor Day School in New York City for nearly twenty-five years. “Give Credit, Take Blame” has always been one of his guiding principles. When his organization established a new high school in 1991, he went out of his way to deflect praise from himself to the specific individuals responsible for a particular accomplishment. But when the new high school ended its first year over budget by \$750,000, he took sole responsibility, even refusing to single out individual culprits for impatient board members. This philosophy has helped Dexter build a thriving school with waiting lists for every grade level. Equally important, his example of leading by putting his ego in the corner is an example that will help many of Trevor’s students learn to be more effective leaders . . .and citizens.

### **ACCEPT RESPONSIBILITY WITHOUT SELF-DEFEATING GUILT**

As Aragorn was searching for Frodo, who had wandered away to think by himself and had not returned, he heard the shouting of orcs, and almost simultaneously the blasting of Boromir’s war horn. He raced down the hill, sword in hand, but he was too late. Boromir was dying and the hobbits were gone. Aragorn lamented that he had failed, that he had not lived up to the trust that Gandalf had placed in him.

With Gandalf lost in Moria, Boromir dead and all four hobbits missing, Aragorn faced a difficult choice. Should he chase after the orcs who had Merry and Pippin or follow the likely path of Frodo and Sam toward Mordor? At length he decided to follow the orcs in hopes of rescuing Merry and Pippin, and then continue on to the city of Minas Tirith, where Sauron’s final assault was expected to fall. He told his comrades that the fate of Frodo and Sam was no longer in his hands.

Like the true leader he was, Aragorn accepted responsibility for the calamities that befell his team that day, even though in truth they were not his fault and there was little he could have done to prevent them. But he also knew that he could not allow guilt and self-doubt to cloud his thinking and prevent him from making a decision and taking action.

*Inc.* magazine has a regular column in which successful CEOs discuss their biggest mistake. Some of them are real doozies! *Inc.* also features a monthly obituary on a failed business. I'm pretty certain that a psychological profile would reveal that CEOs in the first column accepted responsibility without giving up on themselves or their ideas, while those in the latter column succumbed to paralyzing negative emotions. In either situation, the game was won or lost in the head and in the heart of the CEO.

### **LEADERHSIP CAN INVOLVE TOUGH QUESTIONS WITH NO RIGHT ANSWERS**

As the battle raged outside the walls of Minas Tirith, inside Denethor was succumbing to the final and fatal depths of his despair. He had commanded that a pyre be laid out for him and his gravely injured son, Faramir, and that both were to be burned alive. In a panic, Pippin ran for Gandalf. He found him at the main gate, where he had just confronted the captain of the Black Riders, who had now turned back to face the onslaught of the Riders of Rohan. Pippin told Gandalf what was happening back in Denethor's chambers, and asked if he could save Faramir. Gandalf replied that he probably could, but if he did, then others whom he might save would die. Reluctantly, Gandalf left the battlefield to tend to Faramir.

In *Build to Last*, Collins and Porras tell us that leaders of visionary companies do not give in to "the tyranny of OR," but replace it with "the genius of AND." Instead of choosing between low cost or high quality, for example, they insist on both. That is ideal, but in exigent situations, like that faced by Gandalf, "AND" might not be an option, and there could be precious little time to decide which side of "OR" to choose. As a leader, you must use all

your abilities (hopefully with some help from the lessons learned in this book) to guide you to the *best* answer when it appears that there is no *right* answer.

### **FEAR-DRIVEN MANAGEMENT VIOLATES INTEGRITY**

Time and again, both Gandalf and Aragorn admonished their charges not to be afraid. They were in good company, because many other great leaders, both secular and spiritual, have emphasized that same refrain. I think one of the reasons that the call to courage shows up so frequently in leadership literature is that fear can provoke behaviors that violate integrity.

A number of years ago I read an interview with the CEO of a large corporation who said that a part of his job was to prevent complacency by keeping a vague sense of dread percolating throughout the organization. In the following years, that company made national headlines for several scandals involving managers ripping off customers and falsifying accounting numbers to meet performance goals. I'm certain that the CEO never told anyone to cheat in order to hit their targets; quite to the contrary, he dealt with the problems firmly and aggressively and established systems to help prevent their recurrence. Yet I'm equally certain that the combination of aggressive performance expectations and the vague sense of dread he instilled could have put otherwise honest people in a position of feeling like they could not succeed except by being dishonest.

Integrity requires courage. The so-called leader who seeks to "motivate" employees by intimidating and humiliating them is a thief who first robs people of their dignity, and eventually of their integrity.

### **WORK BUILDS CHARACTER**

When Bilbo and Gandalf at last returned to the familiar paths of the Shire after their long adventure with the dwarves, Gandalf looked at the hobbit and remarked how profoundly he had changed. Indeed, Bilbo was profoundly transformed by his

participation in the “adventure” described in *The Hobbit*. It was a lot of work, this adventure, but work was a transforming agent.

Integrity requires that we bring heart and soul to our work, because work is where character is built. One of my favorite definitions of work is David Whyte’s, in *The Heart Aroused*:

Work is the very fire where we are baked to perfection, and like the master of the fire itself, we add the essential ingredient when we walk into the flames ourselves and fuel the transformation of ordinary, everyday forms into the exquisite and the rare.

That eloquent description captures how an ordinary hobbit became one of the great figures in Middle-earth. It also prescribes how *you* can become great in your own circle of the universe.

### **KNOW WHEN TO SAY “NO” TO OPPORTUNITY**

Galadriel was sorely tempted when Frodo offered to give her the One Ring of Power. Among the greatest of the elves, she was one of the few in Middle-earth who had the power to wield it. With the Ring on her finger, she knew she could overthrow Sauron and herself become a Queen of great power and renown. She also knew that if Frodo was successful at destroying the Ring, the time of elves in Middle-earth would come to an end. And yet, Galadriel foresaw that even if she did overthrow Sauron and save Lothlorien, she would be gradually corrupted by the Ring, just as Sauron had been. She turned down Frodo’s offer of the Ring and supported him in the Quest to see it destroyed. To take the Ring would have been inconsistent with her values.

In the world of business, there are times when authenticity and integrity close the door on otherwise attractive opportunities. In *The Spirit to Serve* (written with Kathi Ann Brown), J. Willard Marriott, Jr., describes how many other hotel companies got into the lucrative business of legalized gambling. Marriott International, he said, was “virtually assured of success if we opted to build casino hotels,” but the company elected not to get into that business. Why not? One of the main reasons was that

gambling, and the negative effects associated with it, was not consistent with the family-oriented culture the company had worked so hard to cultivate.

It took courage and integrity for Galadriel to turn down Frodo's offer of the Ring. I imagine it also took courage and integrity for Bill Marriott to explain to the company's shareholders why they were forgoing a shot at the pot of gold at the end of the gambling rainbow.

**ADMIT YOUR MISTAKES  
THEN MAKE GOOD ON THEM**

Gandalf told the Council of Elrond that his decision not to return to the Shire before going off to see Saruman was the biggest mistake he had ever made. Instead, Gandalf had left a letter for Barliman Butterbur the innkeeper to deliver to Frodo. Unfortunately, Butterbur forgot to deliver the message, and Saruman turned out to be a traitor who imprisoned Gandalf in order to extract information about the One Ring of Power.

Therefore, Frodo was unaware of the terrible danger resulting from Sauron's Black Riders being abroad in search of the Ring. Fortunately, Gandalf acknowledged his mistake and sought to find Frodo upon his escape. Moreover, he derived substantial benefit from it, for without that "mistake," he might not have learned about Saruman's treachery in time to keep the Ring out of his clutches.

When Intel introduced the new Pentium processor, several users pointed out a small and rarely occurring flaw. At first, the company discounted the problem. Never did Intel's management make a bigger mistake! A torrent of user distress and negative publicity quickly ensued. At length, the company fixed the problem and replaced the flawed processors, at a cost of nearly half a billion dollars.

In the end, Intel's leaders not only corrected the mistake, but turned it to their advantage. Their willingness to stand behind the product gave powerful impetus to their new "Intel Inside" campaign

and established what had been a generic component as a distinct brand with a valued image in the marketplace.

### **LIVE UP TO YOUR COMMITMENTS**

Thorin and the other dwarves were constantly expressing their gratitude and indebtedness to Bilbo. After Bilbo found his way into Smaug's cavern and came back with a two-handled cup from the treasure below, the dwarves placed themselves and their future generations in Bilbo's debt. Unfortunately, this commitment barely lasted days, much less generations. After Bilbo had given away the Arkenstone, Thorin, in his greed, forgot his pledges of service and sent the hobbit packing.

When times are easy, living up to your commitments is easy. Integrity demands that you also live up to them when times are tough. After seven people were poisoned by cyanide-laced Tylenol in Chicago in 1982, James Burke, then head of Johnson & Johnson, immediately had Tylenol pulled from store shelves across the country and initiated a publicity campaign telling people not to use the product. For the company, it was financially expensive, emotionally exhausting and, in retrospect, probably a more extreme reaction than was absolutely necessary. But the J&J credo expressed a commitment to patient safety above all else, and that was a commitment Burke was bound to honor regardless of the cost. In the short run, the company took a hit to the bottom line. Over time, however, this demonstration of integrity was invaluable in cementing both customer and employee loyalty. Honor and trust cannot be purchased, only earned.

### **WHEN FAILURE IS SUCCESS**

Frodo failed in his assigned mission: He carried the Ring to the very edge of the crack of Doom but, having exhausted his physical and spiritual resources in the effort, he put the Ring on and claimed it as his own. In that desperate moment, the fate of Middle-earth hung by a very thin thread. The situation was saved when Gollum attacked Frodo and bit off the finger on which Frodo wore the Ring. In his jubilation at having recovered "the Precious,"

Gollum lost his balance and fell into the fire, perishing along with the Ring. Had Frodo not been merciful toward Gollum when common sense and self-preservation argued for killing him, the outcome to Frodo's failure might have been much bleaker.

Frodo did all he could do, and while he didn't personally have the strength left to resist the last temptation of the Ring, as it turned out all he could do was enough. All leaders must eventually confront failure – their own and that of their followers. When addressing others' failures, a pat on the back is usually more appropriate than a kick in the pants. Often, that act of non-judgmental support and understanding is the very thing that transforms initial failure into ultimate success.

## **THE 12 KEYS TO Integrity**

1. Integrity requires honesty, reliability, humility and stewardship.
2. Decide which type of character you wish to have, then commit yourself to doing what is necessary to shape that character.
3. Reach out to build trusting relationships.
4. Be compassionate toward weakness but intolerant of even the slightest unethical or evil behavior.
5. Forgive those who have somehow made your life more difficult.
6. Consider things from the other person's point of view as well as your own.
7. Have empathy for others, do not judge people on the basis of superficialities and assume that others are acting in good faith unless proven otherwise.
8. Don't confuse kindness with weakness.
9. Strengthen your character with self-accountability, and don't weaken it with self-blame.
10. Leadership involves facing questions with no right answers; integrity enables you to choose the best answer.
11. Share credit with our people when things go right; accept the blame yourself when things go wrong.
12. Recognize when it's wise to say "no" to opportunity.

## LESSON

## 11

## FAITH

*Eowyn asked Faramir if there was any hope for victory.*

*Faramir replied that while his head told him that the war would be lost, his heart was buoyed with a joyous hope that could not be denied by mere reason.*

Gandalf believed that a mystical sense of destiny and higher power were somehow wrapped up in the One Ring of Power, and this faith gave him strength and courage to face many daunting trials. It also gave him a willingness to send beloved friends into paths of danger for the sake of a greater cause, and the inner power to imbue them with the same spiritual energy that motivated him.

## **A LEADER FOR FAITH**

### **Mary Kay Ash**

It took a great deal of faith for the elf lord Elrond to send the members of the Fellowship of the Ring off to Sauron's fortress in order to destroy the One Ring of Power. Paradoxically, had he shown less faith and instead sent a powerful army to perform the task, the Quest quite likely would have failed.

Mary Kay Ash was a real world leader whose success was solidly founded on what I call the Four Pillars of Faith: faith in yourself, faith in other people, faith in the future and faith in a higher power. Mary Kay had such enormous faith in herself that she:

- walked away from a good job when less capable male counterparts were promoted ahead of her;
- put all her savings into starting a business that would be based on her core values; and
- continued the business after the death of a husband who had given her tremendous support in the start-up effort.

Mary Kay had great faith in people, including:

- her consultants and their ability to achieve incredible results in their work and in their lives; and
- her customers and their capacity for making purchase decisions without high-pressure selling techniques.

Mary Kay had incredible faith in the future, and more important, passed this along to others in the company. She often said, "Expect great things, and great things will happen. Around here we are realists – realists who expect a miracle every day."

Finally, Mary Kay had tremendous faith in God. Indeed, her business was founded on the premise that women should have career opportunities in which they could structure their priorities as God first, family second and career third. Her spiritual faith

was reflected in her philosophy on business, which she summed up by saying: “

We need leaders who add value to the people and the organization; who work for the benefit of others and not just for their own personal gain; who inspire and motivate rather than intimidate and manipulate; who live with people to know their problems, and live with God in order to solve them; and who follow a moral compass that points in the right direction regardless of the trends.

### **BUILD UPON THE FOUR PILLARS OF FAITH**

Galadriel was an elven lady of enormous personal power. An important source of this power was her abiding sense of faith. The small phial that Galadriel gave to Frodo on their parting was a wonderful metaphor for faith. It was a source of light in the darkness and of courage in the face of terror. As an enlightened leader, Galadriel honored the Four Pillars of Faith.

- Pillar One is *faith in yourself*. When Frodo offered to give Galadriel the Ring, she admitted that she had long wondered what she might do with its power, and acknowledged how sorely his offer tempted her. But she had sufficient faith in herself to decline the temptation.
- Pillar Two is *faith in other people*. Galadriel looked into the hearts of all nine members of the Fellowship of the Ring, and saw the frailties and weaknesses of each of them. Yet, even knowing that the future of her world was dependent upon their success, she had faith that they would prevail, and so let them depart from her land carrying their deadly burden directly into the lair of the enemy.
- Pillar Three is *faith in the future*. Galadriel could foresee that destruction of the Ring, while removing the great evil of Sauron for a while, would usher in a new age of Middle-earth, one in which there would be no place for the elves. Yet Galadriel always had faith that things would happen as they were

meant to happen. Her sense of destiny, and certainty that right would prevail, shone through in her reassurances to Frodo and his companions as they prepared to leave Lothlorien.

- Pillar Four is *faith in a higher power*. When Galadriel told members of the Fellowship that their paths might already be laid out before them, even if they were not yet visible, she meant by a higher power – the same higher power to which Gandalf referred when he said that Bilbo was meant to find the Ring, and not its maker, Sauron.

People who build upon the Four Pillars of Faith are more likely to meet adversity with emotional harmony and spiritual peace, and to find the courage and the strength they need to persevere even through a valley of shadows.

### **EXPECT UNLOOKED-FOR HELP**

Unexpected help is doubly blessed, Eomer said to Aragorn when the future king arrived unexpectedly to turn the tide in the battle for Minas Tirith. There is a strong sense of the power of faith in Tolkien's work. The message is that if you follow your appointed path with commitment and integrity, you will be supported in ways that, while they cannot be predicted or explained, can be anticipated and relied upon. Frodo had no idea how he would make his way into Mordor. He only knew that because he was meant to go into that dark land, a way would open up for him. How could he have predicted that Gollum would be the one finding the way?

I'll tell you my favorite personal story about unlooked-for help. For a long time, I had been trying unsuccessfully to gain an opening to provide services to Flagstaff Medical Center, the only hospital in the closest city to my favorite place in the world, the Grand Canyon. I'd gotten nowhere, and had back-burnered the effort. On one of my hikes on a Grand Canyon trail with a friend, we stopped for lunch at one of the only shady spots for miles. Three women walked by and asked if we'd share the shade with

them. One of them was Cristine Henry, who conducts community health programs for Flagstaff Medical Center.

Over the next year we became friends. When I told her that I had another Grand Canyon trip planned, she invited me to stop by and give a presentation for the department heads of Flagstaff Medical Center. Cristine pulled open a door from the inside that I probably never would have been able to push open from the outside.

If you are pursuing an authentic mission and vision with courage and determination, if your efforts are charged with enthusiasm, focused on the goal and informed by awareness, and if you have internalized a commitment to service and integrity, I believe help will often arrive when you most need it and least expect it. I also believe that help is more likely to come if you make a practice of helping and sharing with others – even if it’s only a momentary spot in the shade.

### **SURRENDER YOUR NEED TO BE IN CONTROL**

Why was Frodo selected to bear the Ring into Mordor for its destruction? Certainly there were others who seemed more qualified, even among Frodo’s hobbit companions. On numerous occasions, Sam showed himself to be the more stouthearted of the two. Merry was a better strategist, as he showed in orchestrating the final triumph over Saruman during the scouring of the Shire. Even pippin was more enthusiastic and irrepressible, and was blessed with abundant self-confidence.

Yet in each of these three cases, what appears on the surface as a strength would likely have proven to be a fatal weakness as the Quest drew nearer to Mordor. Frodo was the ideal Ring-Bearer because he was willing to surrender his destiny to Strider, to Gollum and to Faramir, and to deny the delusions of power that would have tempted a “stronger” person to have put on the Ring while in Mordor. Frodo was willing to surrender the illusion of control and had faith that a way would be found for his destiny to be fulfilled.

In their book *In the zone: Transcendent Experience in Sports*, Michael Murphy and Rhea White say that for the athlete, being in perfect control “may be a matter more of grace than of will, and that one can only ‘do it’ by letting it happen, but letting something else take over.” That act of surrender, they say, can lead to terror of that “something else”; however, it can also be the source of both peak performance and mystical experience.

Frodo was terrified by his own helplessness and the need to rely upon Gollum to navigate a dangerous land. He was also made stronger by it, and in the end accomplished what could never have been done without “something else” seeming to guide the process. People with high control needs often end up out of control. In today’s world, that is increasingly true of “control-freak” leaders. Having the faith to surrender control can paradoxically help you achieve a higher order of control.

### **GO OUT ON A LIMB FOR THOSE YOU SERVE**

Barliman Butterbur, proprietor of the Prancing Pony, had every reason to ask Frodo and his companions to vacate the premises when he discovered that they were being pursued by the Black Riders. Unspeakable harm to his inn and his guests – not to mention his establishment’s reputation – could be caused by their presence. When he learned that the Black Riders were from Mordor, Butterbur quaked in his boots, saying it was the worst news he had ever heard.

However, Butterbur was still willing to help. He put the hobbits in a safe room, and arranged their original room to appear as though they were still in it. This probably saved their lives. The next morning the hobbits discovered that their ponies had been stolen during the night. Butterbur took full responsibility, bought them a replacement pony and compensated Merry for those that were lost. In the end, Butterbur’s generosity turned out to have been an excellent investment. Merry’s ponies eventually came back, and Butterbur purchased them at a very reasonable price.

When Butterbur went out on a limb for Frodo and his companions, he was not expecting to get anything out of the deal. He had no way of knowing that he stolen ponies would someday be

returned to his care, that Strider would become king and that Gandalf would bless his ale. He was simply taking a leap of faith.

In *Customers as Partners: Building Relationships That Last*, Chip R. Bell of Performance Research Associates says that a willingness to take a leap of faith – to go out on that limb with your customers – is an essential element of cultivating customer loyalty. He says: “Partners do not take ‘hops of faith’ or ‘jumps of faith.’ . . . Partners do not measure or dole out their belief in the relationship; they trust, not by the spoonful, but by the handful!”

Most entrepreneurs can relate to this because someone, and probably more than one person, has gone out on a limb in support of them and their idea. Sometimes the limb breaks, leaving the partner flat on the ground. But when the limb grows strong and sturdy, it is a thing of beauty, and it can be quite profitable to boot.

## **FAITH IN THE FUTURE**

### **FOSTERS FAITH IN PEOPLE**

Each in their turn, Elrond, Gandalf and Galadriel, were able to put faith in the nine members of the Fellowship because they had strong faith in their vision of the future. As Galadriel put it, it was a belief that what should be shall be.

After the terrorist attack of September 11, 2001, the Boeing Corporation, America’s largest producer of commercial aircraft, announced that it would lay off thirty thousand workers. Its European competitor Airbus, which was faced with the same challenges, announced that it would not resort to layoffs.

“This is a bet that life will resume,” Airbus Vice President David Venz told *Forbes* magazine (November 26, 2001). “There’s more uncertainty now, but we decided to be optimistic. This thing will turn around, and you can’t risk losing skilled people when the upturn comes.”

Ironically, the faith that Airbus showed in not laying off people turned out to have been an important factor in the company’s achieving its desired future. By avoiding the cost and disruption associated with a layoff, and the likelihood of having to

re-staff to accommodate the upturn, Airbus surpassed Boeing as the world's largest producer of commercial aircraft in 2004.

### **LET OLD WOUNDS MAKE YOU WISE AND STRONG**

At the battle for Minas Tirith, Merry cut down the captain of the Black Riders by stabbing his leg with an elven sword, after which Eowyn ended the Rider's earthly existence with a thrust of her own. Unfortunately, both paid a grievous price for their valor – they were poisoned by the black breath. Aragorn found them in the Houses of Healing and tended to their wounds. When Pippin saw his friend lying there, pale and weak, he was afraid that death was near. But Aragorn reassured him that Merry's spirit was so strong that he would survive. He would not forget his grief, Aragorn said, but it would serve to make him wise.

Dave Bruno is a gallant Merry of the real world whose story was once featured in the "Great Comebacks" edition of *Success* magazine. When Bruno lost his job as a salesman, he also lost his health insurance. Driving home late one night, he fell asleep at the wheel and woke up in a hospital intensive care unit with a tube in his throat and needles in both arms. For three days he tortured himself with a question he could not even ask: Was anyone else hurt?

When the tubes finally came out and he was able to learn that it had been a one-car accident, Bruno had an epiphany. From now on he was going to follow his heart to create meaningful work rather than follow a meaningless job to a paycheck. He had always loved inspirational quotes and had a huge collection of them. He asked himself if people have plastic cards in their purses and wallets for cash and for credit, why not also give them cards for courage and inspiration? Thus was born the Success Gold Card.

It was not easy. Uninsured medical bills drove Dave Bruno into bankruptcy, and he lost his house. With small children at home, he took on pizza delivery and other odd jobs to make ends meet while he built his business. Friends and relatives told him his idea was crazy, and that he should get a real job. But Bruno persevered. And a good thing, too. Today, more than two million

people are inspired by his Success Gold Card and Angel Card collections.

### **PERSEVERE THROUGH THE DARKNESS**

Frodo and Sam stopped for a break as they toiled their way up the Stairs of Cirith Ungol, the final passage before crossing the border into Mordor itself. As they rested, Sam reflected on the tales and songs they had heard as children and wondered what kind of tale the two hobbits had fallen into. Most of the heroes in those childhood stories, he said, did not consciously set out to seek adventure, they just landed in it, following an unseen path that had been laid out for them. The only reason anyone knew of their stories at all was that they didn't turn back when they had the chance. Would *their* story ever be told by the fireside? Sam wondered. Frodo replied that at that moment the two of them were stuck in the darkest part of the story, the place where children would ask their parents to close the book because they didn't want to hear any more.

I love stories about entrepreneurs, writers and anyone else who perseveres through the darkest parts of their own stories and remains true, staying on the edge between triumph and disaster long enough to reach safety and even success in the next chapter. Unfortunately, sometimes the book gets closed too soon.

John Kennedy Toole was a brilliant young writer who became seriously despondent when his first novel garnered a shower of rejection letters (as first novels usually do). In his despair, he took his own life. His novel, *A Confederacy of Dunces*, went on to be published, win a Pulitzer Prize and sell millions of copies. The young writer's dreams all came true, but he didn't stick with the story long enough to reach the happy ending.

When all else seems to have failed, faith in yourself and in your mission can keep you turning the pages. The leader who has, and can instill in others, this sense of faith brings to his or her organization a powerful and unsustainable competitive advantage. More important, this leader gives people a precious gift that will help them persevere through the dark days that are an inevitable part of any success story.

### **HAVE FAITH IN YOUR PEOPLE**

Elrond knew how much was riding on the Fellowship of the Ring, and he felt an almost overwhelming sense of responsibility, because he was the one who had commissioned the team in the first place. Yet he trusted its members to undertake the mission in good faith and to the best of their abilities. He did not, as he could have, include one of his sons or some other mighty elf lord in the Fellowship to keep tabs on the group, or use a magical communication channel to have them report back to him.

In *Love and Profit: The Art of Caring Leadership*, James A. Autry says that many organizations have institutionalized mistrust. “Employees do not feel trusted,” he says, “because management dreams up dozens of ways to tell employees that they are not trusted. In turn, employees do not trust management.” The solution, he says, is that managers must trust people “almost beyond reason.”

According to Autry, when managers see their jobs as “police work rather than missionary work,” they create sick organizations characterized by productivity-sapping procedures and a CYA culture. Worse, they lose good people who don’t have to put up with being treated like the cheat who might be working (or lurking ) in the next cubicle.

I like Autry’s image of business leadership as missionary work. In a fiercely competitive world, a contagious missionary spirit can be a powerful source of competitive advantage. And as a leader who embodies this spirit, you will be far more effective, because instead of wasting time checking up on people, you will be working in an environment where employees can be trusted to get things done.

### **DON’T LIVE IN NEEDLESS FEAR**

As they prowled about in Smaug’s cavern, mesmerized by the treasures he had piled within, the dwarves were terrified that the dragon could return at any moment. When they finally learned

that the beast had been slain, they cried out that they had been living in needless fear.

Needless fear is the hidden crippler of our time. Its paralyzing effects prevent people from pursuing their dreams and goals, and as a result it is responsible for massive and unnecessary poverty of body and soul. Faith is the antidote to needless fear. Having faith that the dragons of your imagination will be slain before they become real is often the most important step toward the realization of your dreams.

### **BELIEVE IN YOUR DESTINY**

Gandalf believed that a higher power meant for Bilbo to find the One Ring, and that, accordingly, the Ring was meant to come to Frodo in his turn – a thought Frodo found not the least bit comforting. That sense of destiny, however, grew stronger with each step of Frodo’s journey, so that when he and Sam finally reached the black gates of Mordor and passage into the dark lord’s realm appeared impossible, Frodo was able to say – and believe – that his destiny was to enter Mordor. And sure enough, a way was found.

One of the things great leaders do is create a sense of destiny. When Franklin D. Roosevelt called for the unconditional surrender of Germany and Japan in World War II, he fostered the perception that total victory was not only possible, it was inevitable. When John F. Kennedy called for putting a man on the moon, we all just knew it was going to happen, even after Kennedy himself was no longer there to provide leadership. He had already created the destiny.

Does the leader have to have absolute belief in destiny before inspiring others to believe? At the start, the leader must absolutely believe that the goal is honorable and attainable, and be personally committed to doing everything possible in its pursuit. After that, the sense of destiny is intensified through a complex interaction between leader and followers. A good example of this is Lincoln’s leadership during the Civil War. At the outset of the war, the only destiny he promoted was that of one nation, undivided. Before the war, Lincoln did not feel passionately opposed to

slavery. As the war progressed, however, the shared sense of destiny between Lincoln and his supporters grew to include the abolition of slavery, something Lincoln himself did not publicly proclaim as a war objective until 1863, but after which he prosecuted with intensity.

Whether the goal is winning a war or building a successful business, the leader who can first believe and then convince others to believe that victory is preordained has taken a huge step toward victory.

### **FAITH PROMOTES CLEAR THINKING**

At the Council of Elrond, a decision was made to take the least obvious and most dangerous course: to destroy the Ring instead of using it or hiding it. At the gates of Mordor, Frodo decided to again trust Gollum to guide him through peril to a secret passage into the dark lands. At the last debate following the battle for Minas Tirith, the Fellowship adopted Gandalf's recommendation to send a small diversionary force in an assault upon Mordor in order to keep Sauron's eye from the path Frodo and Sam were treading to reach Mount Doom.

In each case, doubt and anxiety might have interfered with the clear thinking that was essential to defining a creative and audacious solution to a deadly problem. And in each case, faith mastered uncertainty and drove away fear so that a considered, and courageous, decision could be reached.

### **FILL YOUR HEART WITH GRATITUDE**

Tom Bombadil rescued the hobbits from the Barrow-wights, but their clothes had been taken and their ponies had run off. Sam was greatly troubled by this turn of events, but Bombadil reminded him that losing one's clothes was not a very big deal if one's life is saved. He told the hobbits to be glad for their lives and for the warm sunshine, and to run about on the grass while he searched for their ponies.

Notice that Bombadil dealt with the situation in three action steps. The first was to help the hobbits put the loss into proper perspective by appreciating what was not lost (their lives). The second was to remind them to enjoy what remained (soft grass and warm sunshine). The final action step was to help the hobbits move beyond the loss (by finding the ponies). When faith is real, it stimulates a sense of gratitude that is as warming as the sun. When gratitude is real, it will be reflected in action, whether it's running playfully through the grass or finding clothes for someone who has none.

### **PRACTICE TRANSFORMING LEADERSHIP**

In his Pulitzer Prize-winning book *Leadership*, James MacGregor Burns made the pioneering distinction between transactional leadership and transforming leadership. The former is the essence of business management, and implies some form of exchange: money for goods, paychecks for work. Transforming leadership, by contrast, occurs when there is a *relationship* between leader and followers in which *both* are raised to higher levels of performance expectations and moral values. It is thus transforming and elevating.

Gandalf did not simply transact with those whom he lead; instead, he had a relationship with them in which he passionately committed to a transcendent cause, and to elevating his followers to a higher plane of motivation and morality. In the process, as Burns would have predicted, he was transformed himself. The Gandalf who departs for the Havens at the end of *The Lord of the Rings* is a much more subtle and profound wizard than the fireworks master who sent Bilbo off on an adventure at the beginning of *The Hobbit*.

Gandalf was transformed by the nature of his calling, and by his interactions with those upon whom he called for assistance. Gandalf is an outstanding leadership role model for our times, but his is less because of his team-building talents (as formidable as they were) than for his skill as a transforming leader.

### **NEVER LOSE FAITH IN YOUR DREAM**

Even in the darkest days of traversing Mordor, Sam Gamgee, Frodo's stouthearted companion, never lost faith in his dream that he would someday return to the Shire and restore its gardens to new heights of glory. To this end, he always carried Galadriel's magic soil, even after jettisoning seemingly more vital equipment such as cooking gear.

In the summer of 1995, Jeff Bezos was out of money, and it appeared that his company, Amazon.com was about to be closed. In his book *Amazon.com: Get Big Fast*, Robert Spector quotes Eric Dillon, who was intimately involved in the early days of the company, as saying: "I don't know if Jeff ever worried about financing because he was so focused on the business plan. He was just so sold on where he was going that he just naturally assumed that it would take care of itself."

When Amazon.com went public in 1997, Bezos relied on this same faith in the future to make it clear to potential investors that the company would not give in to short-term profitability expectations, but instead expected to sustain substantial losses for a long time in pursuit of their eventual (very big!) ambitions. Once again, it was faith in the dream, and his ability to communicate that faith to others, that allowed Bezos and his team to generate capital in a market ordinarily skeptical of such claims. And just what, when all is said and done, is the power of a dream – to change a company, or to change the world? Spector captures the essence of it in the final line to his book: "I would not bet against Jeff Bezos."

## THE 12 KEYS TO **Faith**

1. Build a solid foundation on the Four Pillars of Faith: faith in yourself, in other people, in the future and in a higher power.
2. Expect that if you are doing the right thing for the right reason, you will receive the help you need when you need it.
3. Be willing to surrender your illusion of control and submit yourself to a higher purpose.
4. Show your faith in other people by being willing to take risks on their behalf.
5. Faith in the future fosters faith in people.
6. Faith is the antidote to fear. When things look darkest, faith in yourself and in your mission will keep you going forward.
7. Believe in the inevitability of your destiny.
8. Trust your people to carry out their mission in good faith and to the best of their abilities.
9. Let your faith be revealed in a spirit of gratitude and a commitment to service.
10. Let your gratitude be reflected in your actions.
11. Don't live in needless fear.
12. Practice transforming leadership so that you and those whom you lead will be elevated to a higher level of performance and values.

## LESSON

## 12

## LEADERSHIP

*Gandalf was not usually a command-and-control leader. But he did know when to step in and take charge of a situation. And take charge he did when he confronted Denethor and saved the life of Faramir.*

Real leadership is not a box on the organization chart; it is an attitude and a way of life. When leadership becomes a commitment to raising other people to higher levels of moral standards and personal expectations, it becomes a value in its own right. Gandalf was determined to build a team that would beat Sauron, but he was equally determined that anyone who was part of that team, in any capacity, would become a stronger and more effective being as a result.

**A LEADER FOR LEADERSHIP**  
**Martin Luther King, Jr.**

Gandalf was the quintessential fictional example of what James MacGregor Burns called a transforming leader. His most significant achievements were not accomplished through his direct action, but rather by his followers, working under his guidance. In the process, his followers were raised to higher levels of moral standards and personal expectations. As a result of their work, their world was left a better place.

Like Gandalf, Martin Luther King, Jr., affected change through the actions of many followers. In the process, he changed the way people looked at the world, and left that world a better place. As Flip Schulke and Penelope McPhee wrote in their book *King Remembered*: “Rarely has one individual, espousing so difficult a philosophy, served as the catalyst for so much significant social change . . . There are few men of whom it can be said their lives changed the world. But at his death, the American South hardly resembled the land where King was born.”

King understood the power of ideas and words, and believed that spiritual force would eventually overwhelm physical force. He eloquently combined the principles of Christian theology and Gandhi’s approach to non-violent resistance to spell out in an irrefutable manner why segregation was wrong and how it must be changed. Depending upon the audience, he could make his case in intellectually rigorous terms, as he did in his influential *Letter from the Birmingham Jail*, or in terms that captured the popular imagination, as in his powerful *I Have a Dream* speech.

Like Gandalf, King expected much from his followers, and was not reluctant to ask a great deal from them, including sending them into harm’s way. But whatever he asked of others, he always expected more of himself. Also like Gandalf, King led from the front. He made a point of being where he was most needed, regardless of the physical inconvenience or danger it might entail. Through his peripatetic leadership, King created the sense of urgency that catalyzed the movement and transformed a nation.

On the eve of World War II, General George C. Marshall, Chief of Staff of the United States Army, was asked what he was looking for in the people he would select to lead our war effort. He replied with one word: "Selflessness." Martin Luther King, Jr., will be remembered as one of the great leaders in history largely because he put his movement, his followers, and his nation ahead of himself. That is the ultimate paradox of servant leadership and of transforming leadership: The most successful leaders are not those chasing after personal success, but rather those who are determined to help their followers achieve success, in the process making a better world for all.

### **BE A FOLLOWER BEFORE BEING A LEADER**

After he had cast Saruman from the Council of Wizards, Gandalf said that the fallen wizard could have made great contributions, but that he would not be a servant, only a tyrant. This is wisdom as ancient as Confucius: If you would lead, first learn to follow.

With all the importance society places on the value of being a leader, the value of learning to be a good follower is generally ignored. (When's the last time you read a book on the art of followership, or the biography of a great follower?) That's really too bad, because one of the best ways to learn the art of leadership is to serve an apprenticeship with an effective leader. Furthermore, the leader who is willing to be a follower when it's called for is more open to learning and innovation.

In today's complex world, nobody can be the leader in every situation, and every leader must on occasion be a follower. Perhaps most important, the leader who maintains an attitude of followership is less likely to fall victim to the self-sabotage of ego and hubris, and more likely to build the confidence of those to whom the torch of leadership will someday be passed.

Ken Blanchard wrote in *The Heart of a Leader*: "Remember that the primary biblical image of servant leadership is that of the shepherd, because the flock is not there for the shepherd; the shepherd is there for the sake of the flock." A shepherd follows his

flock as the sheep graze, but that does not make him any the less a leader.

### **LEADERSHIP IS A TEAM SPORT**

Who was the leader in the battle against Sauron's forces at Minas Tirith? Was it Gandalf standing firm at the gate against the captain of the Black Riders? Was it Theoden leading the charge of the Riders of Rohan, or Eomer picking up the flag after his father fell? Was it Prince Imrahil taking command of the city's defenses when Gandalf left for the Houses of Healing? Or was it Aragorn bringing in the decisive reinforcements just as the battle reached its point of crisis? The answer is "All of the above." The leadership provided by each of these characters – and many others unmentioned – was essential to the victory.

Notwithstanding the message delivered by the typical organization chart, in the most effective organizations leadership is a team sport. An organization that reflects this philosophy better than most is Amana Society, Inc., Iowa's largest agricultural operation and one of the state's leading tourist destinations. It is a complex organization with business units that include farming and forestry, utilities and construction, manufacturing and retail and tourist services. Since 1995, the company has not had a CEO. Instead, a team of four people provides leadership.

Until recently, one of those four was Paul Staman (who has recently left for the world of entrepreneurship), who described for me many of the benefits to the arrangement. According to Staman, team leadership allows the leaders to spend more time in the field. Furthermore, it creates an internal dynamic in which the leaders constantly challenge each other to higher levels of performance, encourages a shared leadership mindset at all levels of the organization and precludes the type of transition trauma organizations often experience when a strong CEO suddenly leaves. This model has also yielded substantial financial benefits, including sustained earnings growth, even though the company is involved in many volatile cyclical businesses. The team leadership approach has also fostered a more diverse and valuable asset portfolio.

Although this is an unusual model for the United States, Staman believes that more organizations will gravitate to it in the future, pointing out that it is a more common arrangement in the rest of the world. The two most important criteria for making it work, he says, are having a shared set of guiding principles and a management team in which each member is able to set aside ego and “what’s in it for me” thinking, and instead think about the greater good.

### **RECRUIT THE BEST, EXPECT THE MOST AND SUPPORT COMPLETELY**

Gandalf selected Frodo and his three companions from among all the hobbits of the Shire because he knew they were the most capable. He gave them a seemingly impossible challenge and then had faith that they would achieve it. As they pursued their Quest, he supported them in every way he possibly could, right through to the end. In this regard, Gandalf would have felt right at home with leaders of the companies described as “loyalty leaders” in the book *Loyalty Rules!* By Frederick F. Reichheld.

- Reichheld’s loyalty leaders hire only the best, because they know it takes winning players to build a winning team. Southwest Airlines hires only 4 percent of the ninety thousand people who apply each year, after screening them for the right personality and character traits as part of their “hire for attitude, train for skill” hiring philosophy.
- Loyalty leaders know that good people need a big challenge, and therefore maintain high expectations. Scott Cook, CEO of Intuit, gave a small and, on paper, seriously under-qualified team the task of developing an online mortgage business in the span of one year – and they did it. At the Vanguard mutual fund company, CEO Jack Brennan lets his key leaders set their own goals, and is consistently amazed that these goals are more aggressive than what he would have set himself.
- Finally, loyalty leaders support their people completely, and reward them handsomely for their accomplishment. At

Enterprise Rent-a-Car, the focus of top leadership is on building the careers of their employees, not on growing a fleet of cars. Franchisees are treated as autonomous operators, and enabled to make a far greater income than they could at any competing firm. That is one reason why, Reichheld says, Enterprise has zoomed into the number one spot and is still growing faster than any competitor.

### **PREPARE PEOPLE FOR CHANGE**

Effective leaders work to create self-fulfilling prophecies, but they refrain from attempting to predict the future. They create a sense of destiny without creating the illusion of certainty. Gandalf built up the confidence of his charges by making them feel they were part of a larger story unfolding with its own ineluctable logic, and that if they did their part, they would prevail. Yet he assiduously avoided trying to predict the future. When asked for his counsel, Gandalf often said, “I do not know . . .” or “I cannot see . . .”

What Gandalf did know, however, was that every member of the team understood what the mission was, and why it was so important. Gandalf could also be confident that he had chosen team members with the character and courage to do the right thing in even the most difficult circumstances, and that he had equipped them with the knowledge, wisdom and spirit to do so.

In *Leadership A to Z*, James O’Toole, a research professor in the Center for Effective Organizations at the University of Southern California, describes the misguided efforts of many corporations during the 1980s to use forecasting, scenario analysis, strategic planning and similar methods in an attempt to predict and prepare for the future. For the most part, those methods didn’t work very well. Today’s most effective leaders have traded in those cloudy crystal balls for more effective leadership strategies. They don’t seek to control the events that will create the future, but rather to create an organization in which people are capable of carving out success from the future, come what may. “The task of the leader,” O’Toole says, “is to create the conditions and systems under which this adaptive behavior will be institutionalized.”

Gandalf's approach to leadership captures the essence of what true leaders do. They cultivate a shared vision of an ideal future, motivate people to take the actions (and the risks) necessary to create the conditions for that desired future to become real, and equip them with the tools and the training they will need to do their part in bringing it about. In short, leaders identify a desired destination, not a detailed road map, and trust their people to find a way or make a way, no matter what obstacles they may encounter on their journey.

### **LET PEOPLE GROW GRADUALLY INTO BIGGER CHALLENGES**

Gandalf knew that to toughen themselves up for the ultimate test, people, and hobbits, need to grow gradually and incrementally into successively bigger challenges. He was loath to throw his charges into the fray without having prepared them physically, mentally and emotionally. When Frodo asked which course he should take, the wizard suggested that Frodo make for Rivendell, knowing that he would encounter character-toughening hardship and danger along the road, as well as helpful teachers.

When the Fellowship of the Ring broke apart and Frodo was faced with the prospect of continuing the Quest on his own, his dear friend Sam recognized that he was terrified. Sam acknowledged the genius of Gandalf's incremental approach by saying that if they hadn't "had a bit of schooling" since leaving the Shire, Frodo would have cast off the Ring and run away. But Frodo did not bolt, nor did Sam. Tougher and more confident than they were when they first left the Shire, they now set their faces to the frightful challenge of proceeding into Mordor alone, a prospect from which they almost certainly would have quailed only months before.

In *The Analects*, Confucius said that to send people into battle without first training them is to betray them. According to *Fortune* magazine, one of the reasons former Xerox CEO Rick Thoman was shown the door was that he developed a plan to dramatically restructure the sales force, then "changed the structure before he retrained the people, leading to acute

dissatisfaction among both staff and customers.” It requires a deft touch to continuously challenge people to leave their comfort zones and pursue greater accomplishments. First, however, the leader must ensure that they have a comfort zone to serve as a stable foundation upon which that further growth can be built.

### **SEEK A GREAT PARTNER**

If you were about to embark on a long, arduous and potentially hazardous journey and could take as a companion just one character from *The Lord of the Rings*, whom would you choose? It would be tempting to select Gandalf the wizard, with his tremendous store of knowledge and wisdom, vast network of connections and magical powers. But Gandalf might not be a very reliable companion. He has many other obligations, and would be periodically riding off to tend to them.

You might then consider Aragorn, with his mighty sword Anduril, his extensive knowledge of the terrain and his powers of healing. But Aragorn also had many other responsibilities, especially after becoming king. Not only that, but during his years in the wilderness fighting the forces of evil, he made many enemies and might be as likely to attract danger as to ward it off.

What about Sam Gamgee, Frodo’s trustworthy sidekick? Nothing was beneath Sam’s dignity. He was willing to tend to the pony, stew up a rabbit and carry more than his share of the load when it came time to pack. On the other hand, nothing was above Sam’s determination. He attacked giant spiders and orcs with a tiny sword, went without food or water so Frodo could have more, and even carried Frodo on his back the final steps of the journey. Sam truly was the unsung hero of *The Lord of the Rings*. He would be my choice as a traveling companion. If Sam Gamgee walked into my office tomorrow looking for a job, my only question would be “When can you start?”

Look behind any successful leader and you’re likely to find a Sam Gamgee. Even before breakfast he will have packed the bags, making sure to have included some cooking gear and a length of rope. He inspires the leader whose job it is to inspire everyone

else. And despite his resolute commitment to the success of the mission, he is not motivated by hope for personal gain and fame.

Perhaps the greatest example of a “Sam Gamgee” in the modern era of the real world was Roy Disney. The main reason Walt Disney could keep his head in the clouds was that his older brother Roy, who managed the company’s finances, kept his own feet on the ground. Roy arranged for the bank financing necessary for Walt’s most grandiose projects, oversaw the movie and merchandising businesses that generated cash for these new projects and handled legal affairs.

Walt and Roy had perhaps more than their share of disagreements, typically over money. (Walt usually wanted to spend money Roy said they didn’t have.) Still, Roy was always Walt’s greatest supporter, and gave all his effort to making his brother’s dreams real. After Walt died, Roy postponed his own plans for retirement, permanently as it turned out, so he could see through two of Walt’s most cherished dreams: construction of Walt Disney World in Orlando and development of the CalArts school. Though then in his mid-seventies, Roy Disney carried on for his brother with the same love and loyalty that Sam showed for Frodo when he picked up the Ring to continue the Quest after his friend had fallen. Roy Disney was the unsung hero of the Disney empire.

### **FOSTER CONNECTEDNESS AS YOU GROW**

One of Aragorn’s great strengths was building strong one-on-one relationships. He related to Gandalf as a student and as a colleague, to the hobbits as a protector and a friend, to Faramir and Eomer as a fellow warrior and future lord and to many others in a variety of ways, but always directly and personally. These relationships played a key role in helping Aragorn achieve his goal of vanquishing the dark lord and reclaiming the throne of his ancestors. That having been accomplished, however, Aragorn would soon be confronted with new challenges, many of which he would not be able to accomplish himself or through direct relationships. The variables of scope and distance would require new strategies for staying connected to his people, and making them feel a connection to him. Some of those strategies would be

indirect but still personal, such as working through subordinate leaders like Imrahil and Faramir. Others would be what today we would consider high tech, but in Middle-earth were revered as magic, such as communicating across vast distances with the *palantir* seeing stones.

Aragorn's challenge was one to which many contemporary business leaders can relate. The expanding scale of business and the globalization of markets has made it increasingly difficult for many leaders to maintain the personal connections upon which their early success was built. Goldman Sachs, a global financial powerhouse headquartered in New York City, is taking a two-pronged approach to sustain a culture of connectedness as the company grows. The first prong is to create systems that foster one-on-one contacts. The informal process of connecting new employees with senior mentors has been formally structured, and the organization is being kept flat to facilitate regular contact between staff and their supervisors. The second prong is using technology to create connections where frequent face-to-face contact is not possible. The company's "town meetings" are available online, and every personal computer has streaming video capabilities, all memos are sent online, facilitating broad information sharing, and performance reviews are conducted online.

Welcome to the future! Wherever you are in your career and in your organization, one key to your success will be mastering the art of staying connected using a variety of personal and technological mechanisms. The real winners in the years to come will be those who utilize the capabilities of technology for real connection, not just communication.

### **EMPOWER SMALL TEAMS**

The Fellowship of the Ring was a vivid illustration of the power of small teams, showing that nine people who are united in purpose can overcome enormous odds to achieve what may seem like impossible goals. Small teams lie at the heart of creative innovation and effective execution in any organization. Military theorists have long recognized the importance of small unit

cohesiveness for battlefield effectiveness, just as many business leaders have encourage a “skunk works” approach to speed up the process of developing great ideas and then getting them to market quickly. Following are five characteristics of effective small teams:

1. Each member plays a defined role within the group, but is capable of taking on new duties or interchanging roles with other members in the group as necessary.
2. The team has a distinct leader at all times, though under varying circumstances the identity of that leader might change, so each team member is prepared to accept the mantle of leadership.
3. Although healthy debate is encouraged, the leader does not tolerate personal antagonism and divisive bickering.
4. Loyalty and courage are both expected and honored.
5. Every team member does everything that is expected of him or her, not because of hope for personal gain, but out of having taken personal ownership for the success of the team’s quest.

### **SPEND MOST OF YOUR TIME WITH YOUR BEST PEOPLE**

The great wizard Gandalf loved the hobbits, and several times commented on what a poorer and sadder place Middle-earth would have been were they to disappear. Yet though he had a genuine affection for all hobbits, he spent most of his time with only five of them – Bilbo, Frodo, Sam, Merry and Pippin – and much of the time he spent with them was, one way or another, devoted to teaching.

On occasion, he taught by means of direct instruction, but more often he would use a roundabout approach. He encouraged them to reflect upon lessons from their experiences, as when Pippin received the fright of a lifetime looking into the *palantir*. He connected them with other teachers and mentors, as when he arranged to have Strider accompany and teach them. Above all, he taught by his personal example. Gandalf’s example when he stood on the bridge of Barad-Dur and denied passage to the Balrog could

later be seen in Sam's heroic attack on Shelob, and in his desperate attempt to rescue Frodo from the orcs.

One of the fifty top corporate executives interviewed by Thomas J. Neff and James N. Citrin in their book *Lessons from the Top* was Andrew Grove, chairman of the Intel Corporation. Grove says that Intel is relatively unique in its belief that all managers should spend a substantial amount of time personally training their people, that this should not be a function relegated to a training department. This is, Grove says, "one of the highest-leverage activities a manager can perform." And when the boss does it, that demonstrates how important the process is.

Grove also says that a company's top performers should receive a disproportionate amount of training time and resources – quite the opposite of what goes on in many companies. A marginal enhancement in the skills of an already top performer, he argues, can have a much bigger impact on the company than even a large enhancement on the part of an average or marginal worker.

### **GIVE PEOPLE DIGNITY**

To many "big people," hobbits seemed funny, even ridiculous, and certainly not capable of great deeds and important responsibilities. Denethor was flabbergasted to learn that Gandalf had sent the One Ring off to Mordor in the care of "mere Halflings." Yet Gandalf always treated the hobbits with the utmost respect and dignity.

When Wormtongue was uncovered as a spy for Saruman, Gandalf sought to give him a way to make good his crimes and save his dignity. Likewise, when Saruman's treachery was revealed, Gandalf offered him a way to leave Orthanc with dignity. The old wizard even treated the hideous little wretch Gollum with dignity.

In my humble opinion, many leaders of American organizations fall short when it comes to giving real dignity to those whose jobs lie at the bottom of the organization chart. Not very many would go to the lengths that Gandalf did to treat their own "hobbits" as equals, to trust them with vital responsibilities, and to give them the same sense of dignity that someone wearing a

more “professional” costume feels when walking through the corridors. That’s unfortunate, because quite a few of these people would have a lot more to offer if they were encouraged with respect and dignity.

### **DON’T RESCUE PEOPLE**

When Bilbo spirited away the Arkenstone in an attempt to head off a battle between the dwarves and the army of men and elves that was besieging them in their mountain fortress, Gandalf commended him for his courage before sending him back to face Thorin. At that point, the wizard could doubtlessly have cast some sort of spell to protect the little hobbit from Thorin’s rage, or at a minimum could have delivered the news himself, knowing that Thorin could not hurt him. Instead, he allowed Bilbo to go back and make his confession in person, telling him to be strong and brave, and that he just might live through it.

Gandalf knew that preventing the inevitable confrontation would be doing neither hobbit nor dwarf a favor, that trying to forestall the unpleasantness would simply allow antagonism to build and that the sooner the confrontation occurred, the sooner conditions might come about for reconciliation. And not only did Gandalf send Bilbo back into a potentially dangerous situation, he did nothing to disguise or sugarcoat the risk.

One of the hardest things in the world is to watch someone get into a big mess and not bail that person out, even if it would be easy for you to do so. Rescuing the person might feel like the right thing to do at the time, and would certainly make you feel warm and fuzzy, but it is quite possibly the worst thing you could do. Rescuing someone from a problem, while making both you and the rescued party feel more comfortable at the time, could be preventing that person from learning valuable lessons and developing strength of character.

Almost any leader can empower others to succeed, knowing that he or she can step in to prevent an embarrassing failure should the need arise. It is a very courageous leader who can empower others to fail, and allow them to fail, without being rescued, then transform the failure into a success by using it as a

lesson for every member of the organization. Above all, such a leader is capable of allowing people to fail without being branded as failures.

### **KNOW WHAT YOU SHOULD NOT DELEGATE**

As we have already seen, Gandalf was a master delegator. He also had a fine feel for what not to delegate. He was willing to entrust Frodo with taking the Ring to its destruction in Mordor, and to rely upon Gwaihir to rescue Frodo and Sam upon the completion of their task. But he himself stood upon the bridge of Khazad-Dum to block the Balrog, he himself stood toe-to-toe with Saruman at Orthanc, and he himself led the sortie to Mordor and confronted the Mouth of Sauron. It wasn't just that he believed no one else was capable of these challenges; he also appreciated the symbolic power of his taking ownership.

As Sam Hill and Glenn Rifkin describe in their book *Radical Marketing*, at corporations like Harley-Davidson, the Iams pet food company, Virgin Atlantic Airways and the Boston Beer Company, the CEO is the chief marketing officer and senior evangelist. More than that, in many respects the CEO is the chief customer, as when Harley-Davidson's CEO and other top executives joined more than fifty thousand Harley owners on a ride through Milwaukee to celebrate the company's ninety-fifth anniversary. It is a common occurrence for Boston Beer Company CEO Jim Koch to be in a bar having a bottle of Samuel Adams with other customers. "Even to this day," he says, "I spend a lot of time in the markets, so I don't have to see focus groups to know who my customers are."

### **FOLLOW A REPRIMAND WITH A KINDNESS**

As the Fellowship stopped for a rest deep in the mines of Moria, Pippin tossed a rock down a hole to see how deep it was. Gandalf was greatly alarmed by the noise, then angry at Pippin for having made it. They were not, he reminded the young hobbit, on a hobbit walking party. The next time, he suggested, Pippin should throw himself in so he would no longer be such a nuisance. As a reward for his troublemaking, Gandalf assigned to Pippin the first

watch. After an hour, though, as Pippin sat there feeling miserable, frightened and remorseful, Gandalf came over and gently told him to get some sleep, that he would take over the watch.

Being a leader will occasionally put you in the position of needing to pull someone up short with a reprimand. For the most part, this will be warranted, though on occasion you will look back and regret your action. Whatever the case, you will look back and regret your action. Whatever the case, you will enhance your effectiveness if you always follow a reprimand with a kindness, the way Gandalf did.

### **PUT PEOPLE FIRST**

When Aragorn first met Frodo and his companions, he pledged to protect them, even at the cost of his own life. With those intentions, Aragorn – heir to the throne of Gondor and destined to be among the greatest of the great – pledged to do anything and everything to protect four insignificant little hobbits from a remote corner of the world. In the months to come, he would fulfill that pledge by fighting Black Riders at Weathertop, battling orcs in the dark cavern of Moria and chasing the orcs that had kidnapped Merry and Pippin all the way to the edges of Fangorn Forest, stopping only after learning that they were safely in the hands of Treebeard. Aragorn earned the loyalty of the hobbits through his unyielding loyalty to them.

In his book *The Human Equation*, Stanford Graduate School of Business professor Jeffrey Pfeffer constructs a compelling argument that organizations that commit to earning employee loyalty also tend to earn the highest economic returns. Unfortunately, he says, when it comes to management, common sense can be surprisingly uncommon. He points out that “buy low, sell high” is common sense, but says executives who lay people off when times are slow, only to be forced into high-cost recruiting efforts when things turn around, are selling low and buying high. He asks two questions that every manager should ponder:

When you look at your people, do you see them as the fundamental resources on which your success rests and the primary means of differentiating yourself from the competition? Perhaps even more important, would someone observing how your organization manages its people recognize your point of view in what you do as opposed to what you talk about doing?”

The greatest personal risks that both Gandalf and Aragorn took, they took for their people. The greatest distinction between Gandalf and Aragorn on the one hand and Sauron and Saruman on the other was their attitudes about people. If you want to be like Gandalf and Aragorn, the time for you to be crystallizing your own attitudes toward your people is now – not when the bottom line is swamped in red ink and layoffs are a tempting resource.

### **DON'T TOLERATE DEMEANING ATTITUDES**

Gandalf never looked down his nose at anyone for such superficial reasons as race, occupation or social status. He treated a lowly hobbit gardener from the Shire with the same respect he gave to the future King of Men. In this, he reflects Tolkien's own beliefs that all people deserve equal respect and dignity.

It is incumbent upon leaders to do everything possible to create an environment that honors human dignity, irrespective of each individual's race, occupation or social status, for two important reasons. First, this makes good business sense. In today's competitive world, you need the best thinking of all your people, and people think best when they're treated as equals. Second, it's a matter of integrity. The very word implies a wholeness and unity that is violated by prejudice and demeaning treatment.

Create an environment in which everyone is treated with respect and dignity, if for no other reason than that you just never know when a simple gardener might save your business!

### **MANAGE MACHINES, LEAD PEOPLE**

Tolkien had a visceral dislike of machines. It was partly because their noise spoiled the silence that is necessary for deep thought and reflection, and because he recognized early on that “labor saving” machinery would do nothing of the kind. But the main reason for Tolkien’s dislike of machines was that he had seen firsthand, in the trenches in World War I and on the home front in World War II, the horror of warfare where men used machines to kill other men, and to kill women and children. In a war of machines, he wrote to his son Christopher, who in 1944 was training to be an R.A.F. pilot, only the machines would win.

These feelings are reflected in *The Lord of the Rings*. With his machines, Saruman first dehumanized and vulgarized the once lovely Isengard, and then the hobbits’ beloved Shire. He seemed to care for people (and hobbits) only as operators for his machines, and to care for trees only as fuel for his fires.

Many years ago, I was director of planning for the University of Iowa Hospitals and Clinics. One day I drove to the state capitol in Des Moines with the late Dr. Ernie Thielen, an outstanding cardiologist and a wonderful human being. We were going to make a presentation to obtain regulatory approval for a new cardiac cath lab. As we were driving, Dr. Thielen said, “I know we need this new machine, but it bothers me to see some of our young doctors relating more to machines than they do to patients.”

Dr. Thielen’s point is as valid for management as it is for medicine. In today’s world we simply cannot manage without our machines. But real leaders recognize that business is first and foremost about people; it’s not about machines, no matter how sophisticated and helpful they may be. Next time you’re sitting in an airport terminal or on a plane, try keeping the laptop and cell phone in the briefcase and just talk to people. You may find it much more rewarding and enjoyable. One thing is certain: It’s a lot better training for leadership.

### **NURTURE THE NEXT GENERATION**

Gandalf was acutely concerned for the next generation of leaders, those who would guide the realms of Middle-earth after he had departed. He spent a great deal of time, and assumed considerable personal risk, on behalf of Faramir, Eomer, Merry and Pippin, and other leaders of the future. One of the best definitions of true leaders is that they develop other leaders, and in this Gandalf proved himself to be one of the best.

James Hall founded the *Majority of One* program, which helps support the emotional, social, intellectual and physical needs of minority student-athletes at Ohio State University. One of the ways that *Majority of One* fosters minority student retention, graduation and post-graduation success is the “FBII Squad” (Former Buckeyes Investing with Interest). FBII agents serve as mentors for student-athletes, and help them create positive connections in their own communities. *Majority of One* encourages minority students to adopt the attitude that they themselves must be the M.V.P. of their own education, because no one else can do that for them. Though he did not use these precise words, self-empowerment through education and leadership through nurturing are themes that capture the essence of Gandalf’s own leadership philosophy.

### **KNOW WHEN TO PASS THE TORCH**

After Sauron had been vanquished, Gandalf knew the time had come for him to depart from Middle-earth and pass the torch of leadership on to Aragorn. Denethor, on the other hand, could not tolerate the thought of turning over his stewardship to someone he considered to be an upstart, and ended up putting the torch to himself.

We see the latter drama acted out in the business world fairly often, while the former is more rare. It would be hard to find a better example of how it should be done than the process by which Jack Welch passed the leadership torch at General Electric to Jeffrey Immelt. It must have been a tough choice. There were three final candidates for the job, and just days after the announcement of the selection, the other two had top jobs

elsewhere. More than anything, that reflects the tremendous attention Welch had given in previous years to developing leaders within the company, and to preparing them to accept the torch of leadership when it was passed. As a result, not only was the torch passed effectively, but board members must have slept better knowing that if something happened to their CEO, someone else would have grabbed the torch before it hit the ground.

### **LOOK BEYOND THE NEXT GENERATION**

When Gandalf departed Middle-earth for the Havens, he left things in good hands. Aragorn was King of Gondor, with Arwen as his Queen and strong princes like Faramir and Imrahil at his side. Eomer was King of Rohan, and the borders that were once threatened by Saruman were being reforested by the Ents. Sam, Merry and Pippin had returned order and beauty to the Shire. Those who had once been students at the feet of the old wizard were now ready to become teachers in their own right. Though Gandalf would not be there to see the children of Aragorn, Sam and the others grow up, through their parents they would learn much from the departed wizard who had once played such a central and defining role in their world.

When Mary Kay Ash, founder of Mary Kay Cosmetics, was asked to name her greatest achievement, she replied, "I think the biggest legacy we are going to leave is a whole community of children who believe they can do anything in this world because they watched their mommas do it."

I once read that when someone asked the composer Ludwig von Beethoven why he wrote music that had to be played so forcefully it sometimes actually damaged pianos, he responded that he wasn't writing for the puny instruments of his day, but for those of a future age. That is the commitment, the future orientation, that drove him to write music that because of his deafness he would never hear, but that would inspire generations to come.

In the small rural community where I live, there is a copse of trees with a wonderful history. The story goes that a Civil War veteran who had spent much of the war at Andersonville, the infamous Confederate prisoner-of-war camp in Georgia, planted them in 1866. Every day, as he baked under the relentless Southern sun, he had promised himself that if he returned to Iowa he would plant trees. He knew that he himself would never picnic or nap under the shade of the giant oaks he planted. He was doing it for his children and his children's children. When a commitment to service has that sort of long-term time horizon, one never knows just exactly what fruit will grow from the seeds one has planted.

## **THE 12 KEYS TO Leadership**

1. Leadership is not a box on the organization chart but rather an attitude and a way of life.
2. Practice your followership skills before presuming to be a leader.
3. Think of yourself as being one member of a leadership team.
4. Elevate your people to have high expectations for themselves, and to believe in their ability to fulfill those expectations.
5. Foster connectedness with others at each stage of your growth.
6. Instead of trying to control the future, develop an empowered and adaptable team that can capitalize on whatever the future happens to bring.
7. Spend most of your time with your best people – teaching them appraising them and encouraging them.
8. Establish an ironclad expectation that everyone in your organization will treat others with respect, humility and dignity.
9. Don't rescue people from their problems; allow them to fail without punishment, and follow a reprimand with a kindness.
10. Know what you should never delegate, and in what situations you should take charge.
11. Trust and protect your people, nurture their growth and development and lay the foundation upon which they can achieve greatness.
12. Your greatest legacy as a leader will be in the leaders you have trained and prepared to assume the mantle of leadership after you depart.

## ACKNOWLEDGMENTS

Any reasonable competent dwarf blacksmith can make a mithril coat if given a sufficient supply of mithril. This book owes its existence to J.R.R. Tolkien, one of the greatest wordsmiths of all time; his wisdom is the mithril of which this book is composed.

Special thanks goes to the organizations that have worked with me to refine *The Twelve Core Action Values*:

- Leigh Cox, Brian Hoefle, Cynthia Clements and the rest of the team at Navapache Regional Medical center in Show Low, Arizona.
- Patrick Charmel, the *Never Fear, Never Quit* Steering Committee, the Spark Plugs I am so proud of, and the rest of the team at Griffin Hospital in Derby, Connecticut.
- Susan Frampton, Randy Carter, Laura Gilpin, and the rest of the team at the Planetree Alliance.
- Jeff Stroburb, Bob Goldstein, Sarah LaBreche, the Spark Plug group, and everyone else at West Central – one of America’s finest cooperatives, dedicated to powering the world with food and fuel.
- Roger Looyenga, Chief Executive Officer of Auto-Owners Insurance, and the rest of the “No Problem” people from whom I have learned so much about values-based leadership.
- CEO Todd Linden and the Building a Better You team at Grinnell Medical Center in Grinnell, Iowa.
- Mimi Roberson, Becki Benoit, Dave McClung, Molly Hagan, the awesome Spark Plugs, and the rest of the team at Presbyterian/St. Luke’s Medical Center in Denver, Colorado.
- Steve Carlson, Cristine Henry, and the rest of the team at Flagstaff Medical Center.

- Thom Greenlaw and all the members of the Environmental Management Association.
- The dozens of corporations and associations that have invited me to share *The Twelve Core Action Values* with their members, and the thousands of Spark Plug readers all over the world.

I also want to acknowledge the support of Dave Altman, Vice President for Innovation and Research at the Center for Creative Leadership, and the inspiration of the other members of my advisory board – Dick Schwab, Tom Hui, Jim “Gymbeaux” Brown, and Jim Seifert.

A special nod of appreciation goes to the faculty, staff and alumni of the Stanford Graduate School of Business; the work of professors Jeff Pfeffer and Michael Ray has been particularly influential.

Many people within the global Tolkien community have been helpful, but I especially want to thank Ian Collier of the Tolkien Society, Ron Kittle of Barrowdowns.com, Hugo J. Keijzer of 25hobbits.com, and the Tolkien fans from around the world who have encouraged me in the writing of this book.

Most important, I want to recognize my family, whose support means everything to me. My parents, to whom this book is dedicated; my brothers Steven (who put me up, and up with me, for a week in London when I was first starting on it) and Allen (whose columns on business and finance are a constant source of inspiration); my sister, Nancy; and especially all my love and admiration to Sally (known to many Spark Plug members as Miss Bonkers), Annie, and Doug, who have tolerated my Quest with undue patience. Thank you all.

Paradox 21 Inc. conducts programs on *The Twelve Core Action Values of Personal Leadership Effectiveness* for corporations, hospitals and other organizations across North America. This includes single seminars, leadership retreats and more extensive facilitator training initiatives. Many organizations have found *The Twelve Core Action Values* to be an effective means of helping their people be more successful both at work and at home, and in the process cultivate a more empowering work environment.

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