In 1985, Steve Jobs left the company he co-founded, Apple, and launched a computer firm called NeXT. He set ambitious goals at NeXT to serve the higher education market, but that meant he needed to recruit a top-notch technical team to his new company.

A brilliant salesman, Jobs (1955-2011) knew as head of a start-up that he couldn't match or exceed the salary demands of the best technical minds that he sought to hire. So in the absence of dangling a competitive compensation package, he tried a different strategy.

In his efforts to woo Steve Mayer, a video engineer who had co-founded Atari Corp., Jobs pulled out all the stops. (He knew and admired Mayer because they had briefly worked together at Atari before Jobs helped launch Apple.)

Rather than host a typical job interview, Jobs told a captivating story using what Mayer later described as “the Imagine process.” Jobs began each sentence with the word “Imagine.” His storytelling proved hard to resist.

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Leadership Snapshot

How ‘luxury’ came to the Four Seasons

Isadore Sharp learned vital business lessons from his father, a hardworking plasterer. When his dad broke his shoulder while excavating a basement at a work site, he continued to work in great pain to finish the job.

On another assignment, his father misread the plans for the job and negotiated a price that wound up covering only half the building. He finished the other half, essentially for free, without complaint.

From these two incidents, the young Sharp learned to stay the course as problems arose, honor your word and operate ethically. He applied these lessons as founder and chairman of Four Seasons Hotels and Resorts.

Sharp, 81, opened his first hotel at age 29 in his hometown of Toronto after running his father’s construction firm. His interest in hotels started when he built a small inn for a friend. Then Sharp booked his wedding night at a local lodge with a great reputation. But it proved disappointing, leading Sharp to conclude, “If a hotel like this was making lots of money, it shouldn’t be hard to build one that would make a lot more.”

Determined to open a successful hotel, Sharp envisioned a 100-room showpiece in downtown Toronto. Even Continued on page 2
A CEO learns from good and bad leaders

Throughout his 17 years in the financial services industry, Graham Coxell has witnessed good and bad leadership. His conclusion? It’s better to seek to understand others than berate them.

Coxell is chief executive of Rowan Dartington, a British stock brokerage firm. In a prior job as an executive at a large company, Coxell participated in a senior management meeting where his boss—the lead board director—asked the six attendees to give their take on a problem that the organization was facing.

While the first respondent was sharing his thoughts on the nature of the problem, the director interrupted.

“So you’ve been lying to me for a year,” the boss shouted.

This abrupt, hostile comment intimidated the group. From that point, no one wanted to level with the director about the problem and what to do about it.

Coxell realized that the director was exhibiting a lack of emotional intelligence. A dark cloud drifted over the team as a result.

A more positive example of leadership also left its mark on Coxell—when a senior executive approached him about an underperforming employee.

Instead of ordering Coxell to discipline the poor performer, the executive said, “Graham, I think I’ve put Bill into the wrong position because he’s very good, but he’s not thriving. What’s your opinion?”

Comparing the two incidents, Coxell admired the humility and openness of the second executive. But he disapproved of the hothead who verbally assaulted a manager who spoke up.

When Coxell became Rowan Dartington’s CEO in 2011, he instituted training to increase staffers’ emotional intelligence. His goal: to ensure that employees feel liked, competent and significant.

“I will always strive to understand, rather than find fault,” Coxell vows.

The training is working. The firm, which was losing money two years ago, is earning a profit. And Coxell says it’s “a very happy place to work now.”


Emotional Intelligence

PODCAST of the month

Excel Pivot Tables

With our latest podcast, “Excel Pivot Tables: Getting Your Data To Talk,” we’ll take you from “why a pivot table?” all the way to advanced features, and show you how to do it all. You’ll have that data talking to you in no time.

Free podcast to subscribers at www.ExecLeadership.com/podcast.

Four Seasons ‘luxury’

Continued from page 1

though skeptics insisted the location was bad and his focus on offering expensive rooms during a downturn was misguided, he persevered and attracted enough investors to complete the first Four Seasons Hotel in 1961.

To delight customers, he put himself in their shoes. Growing up in a family of women, he figured female guests would prefer to wash their hair with shampoo, not soap. So he became one of the first hoteliers to provide shampoo in the room, along with higher-quality towels.

“Some managers thought we were spending too much on amenities, and most customers wouldn’t know the difference,” Sharp recalls. “But I wanted to cater to those who would.”

The formula worked. Four Seasons currently manages 90 hotels in 36 countries. Its 2012 revenue was about $3.8 billion.

—Adapted from “Isadore Sharp’s Four Seasons Hotels Soared To Top,” Scott Smith, Investor’s Business Daily.
Any leader who hopes to take an organization forward really does need an understanding of its past. History matters to group culture, identity and motivation. In times of crisis, a proud tradition can be summoned up to reinforce employees’ dedication.

In the late 1990s, UPS executives realized that the company’s model wasn’t working. To explain large-scale innovations, they turned to breakthroughs of the past: from bicycle deliveries to trucks, from ground service to air freight, from paper tracking to a web-based system.

“Yes, it’s new and it’s different and it’s tough and it’s a change,” then-CEO Jim Kelly said over and over. “But that’s OK. We’ve done that successfully for many years.”

— Adapted from “Your Company’s History as a Leadership Tool,” John Seaman Jr. and George David Smith, Harvard Business Review.

UPS looks back to go forward

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Recruiter confidence in executive job market constant

ExecuNet’s Recruiter Confidence Index continues to show that 45% of recruiters say the executive job market will improve in the next six months, with 43% in the “middle” and only somewhat confident, and 12% not confident at all that it is going to improve. Recruiters report more than 50% of companies are currently willing to upgrade their talent. This means targeting decision-makers and presenting yourself as a solution.

“We find executives who are creating the “right” online visibility about their value, not their background, are uncovering opportunities at a faster rate,” says ExecuNet.
Show leadership the ‘first 10 days’

Given the general acceleration of things, the “first 100 days” as a measure of an executive’s effectiveness, first used in 1933, has sped up.

So how would that work for a new CEO?

- **The board provides information up front.** What will the CEO inherit, for real? Will the senior team stay? Do the directors want disruption or calm?
- **The hiring process must be even more rigorous.** If each finalist is expected to provide a detailed strategy for the first 10, 90 and 180 days, all of them would need enough data and access to come up with a plan.
- **The CEO has to jump the gun.** Supposing that suppliers or staff are to be changed, the board needs to decide if those actions can be taken before the chief executive’s first day.

For instance, Marissa Mayer’s decision not to support BlackBerry devices at Yahoo could have come much earlier than the six-month mark, signaling her intention to focus on the most advanced technologies.

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**Leadership Mistakes**

**Set the tone for others to follow**

As a management consultant, Patrick Lencioni often sees leaders model the wrong kind of behavior. He once observed a sorry spectacle that shows what happens when a disingenuous boss sets the wrong tone.

Lencioni was brought in to help a CEO improve his leadership. For starters, this executive needed honest feedback from his management team.

The managers completed an anonymous survey about the CEO’s leadership style. Armed with the results, the CEO convened a meeting. He began by reading aloud his greatest weakness (based on the survey) and then asked the group, “What do you think?”

Amazingly, the managers denied the CEO had that weakness. When the CEO read his second greatest weakness and asked staffers to respond, they again failed to own up to it.

One of the managers finally admitted that he agreed with one of the CEO’s weaknesses.

After a long silence, the rest of the group ganged up on him and declared that they didn’t think the CEO exhibited this weakness. In the end, they left their one honest colleague in the cross hairs to take abuse from the CEO.

Reflecting on the meeting, Lencioni realized that the CEO sent a misguided message to his team: I won’t admit my weaknesses, so you shouldn’t either.

Sure enough, those managers stopped working as a team and covered up their mistakes. The company’s performance plummeted and it was sold for far less than its previous value.


**Communication Tactics**

**Greet staffers’ objections with openness**

Like any enlightened leader, you encourage feedback from employees. You don’t want them to accept your directives blindly; instead, you prefer that they ask challenging questions and express well-intentioned objections.

Just make sure to handle their objections with care. Your first thought should be, “This is a good sign. It means people are interested and thinking about the best outcome.”

Follow these techniques after you hear objections:

**Keep listening.** It’s often tempting to interrupt when someone challenges your message. But it’s better to resist the urge to jump in.

**Let the speaker finish.** This shows the speaker that you welcome the objection and you intend to listen fully before you reply.

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**Keep an eye on the honor roll**

*Chief Executive* magazine has named David Cote, Chairman and CEO of Honeywell, as the 2013 CEO of the Year, an award given to a corporate leader who is nominated and selected by his peers.

During Cote’s time at the helm, Honeywell stock has risen 223% even as he has overseen more than 80 acquisitions.
Bad bosses leave mark on billionaire

After graduating college, Mark Cuban got a job at Mellon Bank. His youthful energy led him to think like an entrepreneur—and that landed him in trouble with higher-ups.

At first, his actions seemed harmless. He wrote notes to the CEO suggesting ways the bank could cut costs. He launched a “Rookie Club” that connected new hires in their 20s to senior executives.

Then he started writing an internal newsletter updating employees on various projects.

Cuban figured his boss would approve of his initiative. Instead, his manager called Cuban into his office and said, “If you ever go over me or around me, I’ll crush you.”

The future billionaire quit his bank job, moved to Dallas and landed a sales position at a software firm. After nine months, he was about to make his biggest sale yet—for $15,000—when he alerted his boss of the good news.

“I thought he’d be thrilled,” Cuban recalls. “He wasn’t.”

Cuban didn’t understand why his manager, Michael, sought to forbid him from closing the huge sale, so he went ahead with it. When he returned to the office with a $15,000 check, he assumed Michael would come around.

But Cuban was fired. Michael resented that Cuban failed to follow orders, even though the rationale for the orders was fuzzy at best.

At age 25, Cuban decided to start his own business. As he gained success, he viewed Michael as a kind of guidepost.

“Even now I think back to things he did, and I do the opposite,” Cuban writes. Today, he’s 54 and owns the NBA’s Dallas Mavericks.


Self-assessment

Question your assumptions

To see what self-awareness has to do with overcoming obstacles, researchers look at how people use it.

Take David Chang, who started out with a humble noodle bar, Momofuku. It wasn’t going anywhere.

Instead of blaming someone, he subjected himself to a brutal self-assessment. Instead of worrying about what to do, Chang and his cooks stalked the greengrocer for inspiration. Then they started cooking as though it were their last meal. They invented wild combinations of ingredients, producing mash-ups like a Korean-style burrito.

The crowds came to eat.

This uncommon but effective process is called double-loop learning. It requires that we honestly challenge our beliefs and summon the courage to act on the resulting information. Chang questioned every aspect of his approach, including methods, biases and assumptions.

Similarly, tennis champion Martina Navratilova questioned her assumptions after a bitter loss to rival Chris Evert. She began exploring every aspect of her game, which led to startling innovations in cross-training and diet that were unheard of at the time.

Bottom line: No one’s idea of a good time is a brutal assessment of assumptions that may have led to their failure. But that’s what winners do.

— Adapted from The Art of Doing: How Superachievers Do What They Do and How They Do It So Well, Camille Sweeney and Josh Gosfield, Plume/Penguin.

Leadership Lessons

Best of the Leadership Blogs

Offer an olive branch

Leadership blogger, West Point graduate and former Army officer Mike Figliuolo hates Navy, and this fall he’ll once again be rooting for Army’s football team.

We all have enemies, Figliuolo says. But it’s counterproductive if we let them dominate our thoughts. He recommends: stepping outside the conflict; being the bigger person by laughing it off, killing with kindness and remaining professional; and channeling your energy into work that matters.

— thoughtLEADERS

Facebook: Yesterday’s news

For today’s teens, Facebook may be old hat. They’re racing to check out new social media sites, according to a study by Pew and Harvard. Meanwhile, they’re spending less time on Facebook to avoid their parents and “other adults”—not to mention the curse of TMI (too much information). The new darlings? Twitter, Instagram and Tumblr. Almost 25% of teens now use Twitter.

— Bulldog Reporter Daily “Dog

Don’t stack rank

Organizations often rank employees simply because they can’t be bothered with the straight talk necessary to get employees on the right track.

Here’s how HR blogger Kris Dunn expresses it: “We haven’t trained you as a manager to truly manage performance on your own. And you know what? Even if we did, you’d avoid doing what’s required because there’s a bunch of daily straight talk required. So … we’re just going to have you rank your employees 1 through 10. We may fire #9 and #10. That’s all you have to do. See you in December for that, right around the holidays.”

Lesson: If you regularly provide feedback and coaching, and you aggressively manage poor performance, you can build a strong team without ranking.

— The HR Capitalist

To read these full blog postings, go to www.ExecLeadership.com/bestblogs.
Art of leadership

That leadership requires authenticity is a cliché, but here’s what makes it true.

Last year, William Baker, director of a center for media education at Fordham, went to an exhibit of painter Renoir.

The paintings were nice enough, but he was underwhelmed. “What’s the big deal about Renoir?” he thought.

Only later did Baker learn that the initial public response to Renoir’s work had been quite the opposite. Those pastel paintings of plump bourgeois people had inspired rage, hatred and mockery.

The reason was the authenticity of Renoir’s subjects. Parisians of the 1880s were just as unhappy as anybody else who is portrayed accurately. Nobody likes seeing themselves as they really are.

Baker took away two lessons: 1. Even when it’s unpopular, you can’t sacrifice truth if you expect to lead. Your followers have to be able to trust you.

2. Renoir outlasted his critics and gave the world something valuable because authenticity is about playing the long game.

— Adapted from Every Leader is an Artist, William F. Baker & Michael O’Malley, McGraw-Hill Ryerson.

Strategic Management

Separating great leaders from also-rans

The best leaders listen well, deliver great speeches and show decisiveness when it counts. But that’s not all.

Superior leaders demonstrate subtle skills that set them apart. Examples include:

✔ Tapping the power of silence. Leaders often hold court with their charisma. But knowing when to ask questions and wait for answers, enables you to learn more.

✔ Admitting error. Part of a leader’s job is to articulate a vision and motivate others to embrace it.

Visions can prove faulty once the execution begins. Sturdy leaders make midstream adjustments while acknowledging when their initial vision was wrong.

✔ Harnessing everyone’s strengths. Experienced leaders analyze complex systems and translate complicated challenges to simple directives. It’s even more important to delegate effectively—and help staffers organize their workday so that they maximize their activity.

✔ Connecting problems to solutions. It’s easy to identify problems and demand that employees solve them. True leaders get into the weeds by defining how a problem evolved and outlining options.

✔ Spotting smart decisions by others. If you’re the brightest person in the room, you can make high-stakes decisions with confidence. But enlightened leaders are willing to let underlings step up and make big decisions—and then credit their wisdom when they achieve the desired outcomes.

Dear Negotiation Coach

Sweetening the deal?

Q. I run a midsize retail sports-apparel chain located in the southwestern United States. I’ve been searching for a seasoned executive to lead new store expansion in our fast-growing market. I finally found the perfect candidate, and we’ve agreed to most terms. The one sticking point is that she is obligated to give her current employer six months’ notice. I confided in her that such a delay would undermine our expansion strategy relative to an aggressive competitor. She says that she feels compelled to honor her word to her current employer but will join us as soon as she can. She assures me that she is excited about my offer, but given her hesitation to leave her old firm, I’m not convinced. I’ve thought about resuming the search, but finding and hiring another perfect candidate will likely take more than six months. Should I consider a deal sweetener, such as an early-start bonus?

A. Although there may be legal consequences if you induce someone to break a contractual obligation, it is not unusual for an employee to negotiate new terms of her separation once she has served notice of her resignation. Often the employer is eager to move ahead with a replacement rather than hold on to a lame duck. But if the departing employee is in the midst of an important project, keeping that person on board through its completion makes sense.

Getting a clearer picture of what is motivating this candidate’s reluctance to negotiate a shorter notice period with her current employer is key. Since you have already amicably agreed to most terms of her employment, it seems unlikely that she is leveraging your desperation into a more lucrative deal for herself.

Taken at face value, a prospective employee who honors her word and her commitments is demonstrating integrity and character. If she wants to tie up some loose ends with her project team, that would be a good long-term signal for you and your organization.

Should you offer the candidate a financial incentive to negotiate an early release from her current employment agreement? My advice is a cautious yes. However, how you frame that offer is very important.

You might be tempted to simply put forth an “exploding” or “evaporating” bonus (one that would disappear either at a specific point in time or over a stretch of time). This would provide a clear extrinsic reward to the candidate to join your company as quickly as possible. But this could also be interpreted as an inducement for the candidate to do something she would perceive to be unethical.

Instead, frame your proposal around the strategic imperatives of your business. Explain that there is a real upside to your company if the candidate were to join sooner rather than later. Since she is a valued prospective member of your team, you want to share some of that upside with her. The sooner she is able to join, the greater this shared upside can be. This argument will likely create a loftier self-narrative for her—as a principal of your team rather than as a mercenary.

Stop spinning your wheels

Any minor shift in outlook can make you less gloomy.

Susan Nolen-Hoeksema, a Yale psychology professor specializing in depression, has studied people’s tendency to brood when facing a problem. She found that a simple, 10-minute diversion can turn self-punishing thoughts into action.

“The quality of your problem-solving markedly improves,” she says. “When you’re ruminating, the negative thoughts are so strong that it’s hard to inhibit them. But even after a moment of distraction, those thoughts aren’t activated anymore. It’s like pressing the restart button when your computer is acting up.”

Tricking your mind into doing what it perceives as a logical, cerebral task—even something as simple as updating your calendar—can stop you from mentally spinning your wheels.

Learn to grow your own leadership

The desire for meaningful work is one of the great aspirations of our age.

One leader to keep in mind as you try to “find” your career path is the scientist and Nobel laureate Marie Curie, who didn’t actually discover her vocation so much as cultivate it through trial and error.

Generally attracted to medicine, and by working 12 to 14 hours a day experimenting in chemistry and physics, Curie grew into her life’s work studying radiation.

“Life is not easy for any of us,” she said. “But what of that? We must have perseverance and above all confidence in ourselves. We must believe that we are gifted for something, and that this thing, at whatever cost, must be attained.”

— Adapted from How to Find Fulfilling Work, Roman Krznaric, Picador.
When firing a top performer pays off

As sales manager for a fledgling magazine, C. Richard Weylman needed to generate enough print ads to keep the new publication afloat. He supervised a team of 15 salespeople.

One of the salespeople routinely outperformed his peers, tallying the best results month after month. Yet his high production came at a cost: He rejected the organization’s culture of cooperation and its customer-centric philosophy.

Weylman was aware of his top producer’s tendency to bully buyers into saying yes. But the sales kept coming in.

Eventually, however, customers began to complain. They told Weylman about the salesman’s disrespectful attitude and his inability to deliver on his promises.

For Weylman, the final straw was when he noticed that other salespeople were starting to fall under the top producer’s influence. Their increasing abrasiveness risked alienating even more customers.

Weylman met privately with the salesman and asked, “How can I help you refocus?”

“My approach works. Tough is good,” the salesman replied.

Undeterred, Weylman admitted he had given the salesman too much leeway for too long—and that the situation needed to improve. Weylman added that he’d support the salesman in any way possible, as long as he changed his behavior.

When the salesman repeatedly insisted he’d keep doing what he was doing, Weylman fired him. Within a month, sales nearly doubled as the other 14 sales reps concluded that the organization truly believed in treating its customers with respect—and would take bold steps to do so.

— Adapted from The Power of Why, C. Richard Weylman, New Harvest.

Turnaround Tactics

Down but not out, Gap bounces back

When Glenn Murphy left a Canadian drugstore chain in 2007 to become CEO of Gap, the clothing retailer had sustained a multiyear losing streak. But it’s finally bouncing back.

The company owns The Gap, Old Navy and Banana Republic brands. Murphy engineered a turnaround largely through colorful fashions and catchy ads after years of cost-cutting and personnel overhauls.

But he has also exhibited a sweeping global vision for the societal issues that affect the fashion industry. In his first year at Gap, he invested in its P.A.C.E. program (Personal Advancement & Career Enhancement) to give female garment laborers in developing countries a chance to improve their lives.

About 80% of garment employees around the world are women. Realizing that most of these women lack career advancement opportunities, Murphy and his team developed a training program built on education and literacy, life skills and technical tools.

In the past six years, more than 14,000 women have participated in P.A.C.E. Gap provides paid time off so that they can finish the program in 10 months or less.

Raised in a poor family in India, Sujatha completed the program in her rural village. It has helped her advance from an entry-level job in a factory sewing line to supervisor. P.A.C.E. also operates in Cambodia, China, Bangladesh, Sri Lanka, Indonesia and Vietnam.

By combining hard-nosed business decisions—like firing underperforming executives—with ambitious outreach programs such as P.A.C.E., Murphy has reversed the once-storied company’s steady years of decline.


Leader’s Edge

Are we geniuses after all?

Michael Shermer, a contributor to Scientific American and founding publisher of Skeptic magazine, is deeply skeptical of a popular theory that wildly successful “outliers” are mainly the objects of good fortune.

In his book Outliers, journalist Malcolm Gladwell claims that successful people are not “self-made” but instead “are invariably the beneficiaries of hidden advantages and extraordinary opportunities and cultural legacies that allow them to learn and work hard and make sense of the world in ways others cannot.”

One of the poster children of Outliers is Microsoft’s Bill Gates, whose well-off parents sent him to a private school that had a computer club before computers were common. His luck was in coming of age when the industry was poised to have someone come along with his passion and experience.

Prodigies, Gladwell says, are the products of a web of advantages coupled with hard work and luck.

But Shermer calls these cases more than luck. Creative people, he says, don’t just sit around waiting for opportunities. They make their own opportunities. Gates had an unusually creative mind, which he would have had even without a computer club, and he probably would have found other ways to get his hands on programming tools.

Even Gladwell’s 10,000-hour rule of skill mastery, Shermer says, isn’t just about practice. It’s also about generating a massive variety of ideas and products from which a few succeed.

— Adapted from “Inside the Outliers,” Michael Shermer, Scientific American.