

Challenge is the Opportunity for Greatness **by James M. Kouzes and Barry Z. Posner**

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RE we on the verge of a leadership explosion? Caught in today's hurricane of discouraging news, some may see little reason to be optimistic. We, on the other hand, are full of hope. We expect the emergence of a whole new breed of energetic leaders who will work to restore people's faith in one another and revitalize society's capacity to excel.

This is neither Pollyannaish cheerfulness nor wishful thinking. Our belief is completely consistent with history. To test this for yourself, try this exercise. Take out a piece of paper and draw a line down the middle. Think of a few well-known historical figures you consider exemplary leaders. Think about the men and women who've led organizations, communities, states, nations, or the world to greatness. Write their names in the left-hand column. In the right-hand column opposite each name, record the events, circumstances, or historical contexts with which you identify each of these individuals.

Now cover the names in the left-hand column and look only at the right-hand column listing the events, circumstances, or contexts. What pattern do you notice among the leadership *situations*?

We predict that your list will be made up of leaders you identify with the creation of new institutions, the resolution of serious crises, the winning of wars, the organization of revolutionary movements, protests for improving social conditions, political change, innovation, or some other social transformation.

The table shows a few representative examples of historical leaders people have mentioned when we've asked this question.

Historical Leaders	Situation or Context
Queen Elizabeth I	Revival of order in 16th-century England
Winston Churchill	World War II
Mahatma Gandhi	National independence for India
Abraham Lincoln	U.S. Civil War
Florence Kelley	Struggle for child labor laws
Martin Luther King Jr.	U.S. Civil Rights movement
Nelson Mandela	National liberation movement in South Africa
Rosa Parks	U.S. Civil Rights movement
Eleanor Roosevelt	Women's participation in U.S. public life

Consistently over time, we've found that when we ask people to think of exemplary leaders, they recall individuals who served during times of turbulence, conflict, innovation, and change. Skeptics might say that this is true only for those few great leaders who've made their mark on history, and it can't be true for those less famous. Absolutely not so. When we analyzed the personal-best cases in our leadership research from "ordinary" people, we discovered *exactly the same thing*. Virtually all the personal-best leadership cases were associated with a challenge. The challenges faced by the leaders we studied may have been less grand and global, but even so they involved *major changes* that had a significant impact on their organizations.

The fact is that when times are stable and secure, no one is severely tested. People may perform well, may get promoted, and may even achieve fame and fortune. But certainty and routine breed complacency. In times of calm, no one takes the opportunity to burrow inside and discover the true gifts buried down deep. In contrast, personal, business, and social hardships have a way of making us come face-to-face with who we really are and what we're capable of becoming. *Only challenge produces the opportunity for greatness*. Given the extraordinary challenges the world faces today, the potential for greatness is monumental.

While we're confident that exemplary leaders will emerge from the chaos and uncertainty of the present, we're not comfortable with the notion of just waiting around for them to arise from the ashes. Society can't afford to leave it to chance. Moreover, we need all the leaders we can get in all sectors of society and at all organizational levels from the front line to the boardroom and beyond. It's essential to create a climate in which a new breed of leaders are supported, nurtured, and encouraged. Based on our research into the practices of exemplary leadership, we can highlight the essential leadership actions for establishing a culture that's conducive to the growth of leaders.

Set the Example

PEOPLE become the leaders they observe. If we want to become good leaders, we have to see good leaders. "Modeling is the first step in developing competencies," says Albert Bandura, Stanford University professor of psychology and the world's leading authority on the topic, in *Self-Efficacy: The Exercise of Control*. We had this reinforced for us when we did some research on the leader-as-coach. In that study we found that of all the items used to measure coaching behavior, the one most linked to success is "this person embodies character qualities and values that I admire."

To increase the quality and supply of exemplary leaders in the world, it's essential to give aspiring talent the chance to observe models of exemplary leadership. To develop ethical leaders, allow aspiring talent to observe leaders behaving ethically. To build leaders who think long-term, allow aspiring talent to observe leaders taking a long-term view. To have leaders who treat people with dignity and respect, make sure aspiring talent can observe leaders' treating people with dignity and respect.

When we asked Taylor Bodman, general partner at Brown Brothers Harriman in Boston, about his personal leadership role models, he was able to name six. For each one he was able to tell us in great detail why he selected each person, what each did, how he felt about each, and what he

learned from them. Here's an abbreviated example about one of his role models, Peter J. Gomes, the Minister of Harvard's Memorial Church:

"I learned from Gomes that people burn out less from a lack of energy than from a lack of a sense of purpose. That insight changed the way I lead at work. I started to engage others in some large, obvious, and therefore long-absent questions, such as, 'Why are we here?' and 'What are we trying to do?' Observing Gomes also taught me that it is possible to honor the past and at the same time to make real the failings that lead us to want a better tomorrow.

"I have found for myself that stories can offer the perspective and meaning that generate energy in others. I try to do this at work. I try to determine the cause that is greater than ourselves and to convey it."

Taylor Bodman considers himself very fortunate to have had many exceptional role models in his career. He found from each rich lessons that enable him to be a better leader. It's absolutely essential to the growth and development of leaders -- or of anyone, for that matter -- that they're exposed to the behaviors they're expected to produce. You can't do what you say if you don't know how, and you can't know how until you can see how it's done. Without exemplary role models, all the training in the world won't stick.

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Make Challenge Meaningful

THERE'S an oft-repeated management maxim that says, "What gets rewarded gets done." If this were actually true, then we'd be hard-pressed to find an explanation for why people embrace challenges that don't offer a lot of money, options, perks, power, or prestige. There is absolutely no correlation between courage of convictions and pay for performance.

Just ask Arlene Blum. Arlene earned a doctorate in biophysical chemistry but has spent most of her adult life climbing mountains -- literally and figuratively. She's had more than 300 successful ascents. Her most significant challenge -- and the one for which she is most well-known -- was not the highest mountain she's ever climbed. It was the challenge of leading the first all-woman team up Annapurna I, the tenth highest mountain in the world. We've learned many leadership lessons both from her book, *Annapurna: A Woman's Place*, and from talking with her.

"The question everyone asks mountain climbers is 'Why?' And when they learn about the lengthy and difficult preparation involved, they ask it even more insistently," says Arlene. "For us, the answer was much more than 'because it is there.' . . . As women, we faced a challenge even greater than the mountain. We had to believe in ourselves enough to make the attempt in spite of social convention and 200 years of climbing history in which women were usually relegated to the sidelines."

In talking about what separates those who make a successful ascent from those who don't, she says, "The real dividing line is passion. As long as you believe what you're doing is meaningful, you can cut through fear and exhaustion and take the next step." It wasn't because Annapurna was there. It was because the climb was *meaningful*.

Experience, we've learned, is the best leadership teacher, and challenging experiences offer the most opportunities. But it's not about challenge for challenge's sake. It's not about shaking things up or tearing things down just to keep people on their toes or give them a chance to show what they're made of. It's about challenge with meaning and passion. It's about living life on purpose. To create a climate for developing the best leaders we must make the challenge meaningful. As E. L. Deci points out in *Why We Do What We Do*, there has to be something significant in the challenge itself that makes the struggle worthwhile. When it comes to excellence, it's definitely *not* "What gets rewarded gets done" but rather "What *is* rewarding gets done."

Promote Psychological Hardiness

CHALLENGE brings with it a much higher degree of risk and uncertainty. That's why it's rich in learning opportunities. It's also why it can be a breeding ground for stress.

Many of us associate stress with illness. We've been led to believe that if we experience serious stressful events, we'll become ill. Yet it isn't stress that makes us ill, it's how we respond to stressful events.

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There is a clear attitudinal difference between high-stress/high-illness people and high-stress/low-illness people. Salvatore Maddi and Suzanne Kobasa have found in over 30 years of research that this latter group makes three key assumptions about themselves in interaction with the world. First, they feel a strong sense of *control*, believing that they can beneficially influence the direction and outcome of whatever is going on around them through their own efforts. Lapsing into powerlessness, feeling like a victim of circumstances, and passivity seem like a waste of time to them. Second, they're strong in *commitment*, believing that they can find something in whatever they're doing that's interesting, important, or worthwhile. They're unlikely to engage in denial or feel disengaged, bored, and empty. Third, they feel strong in *challenge*, believing that personal improvement and fulfillment come through the continual process of learning from both negative and positive experiences. They feel that it's not only unrealistic but also stultifying to simply expect, or even wish for, easy comfort and security.

To create a climate that fosters the development of leaders, we not only need to set an example and make the challenge meaningful, we also have to promote "psychological hardiness" -- a condition in which stress does not promote sickness but instead promotes success.

People can't lead if they aren't psychologically hardy. No one will follow someone who avoids stressful events and won't take decisive action. However, even if leaders are personally very hardy, they can't enlist and retain others if they don't create an atmosphere that promotes psychological hardiness. People won't remain long with a cause that distresses them. To accept the challenge of change, they need to believe that they can overcome adversity. Leaders must create the conditions that make all that possible.

Take Dick Nettell, for example. As corporate services executive for the Bank of America, Dick greets challenge as if it were his best friend. He's been doing it since he first began his career at the bank. Dick doesn't let circumstance overwhelm him, and he's never been intimidated by higher authority.

When the Bank of America was acquired by NationsBank, creating the new Bank of America, there was a major restructuring, to put it mildly. Two huge organizations merged, and two very different cultures collided. There were sizable layoffs and wholesale changes at the top. Dick was asked to stick around and to help pick up the responsibilities of his former manager.

Early on in the process of this painful transition, Dick's manager at the time came out from bank headquarters (in Charlotte, North Carolina) to San Francisco to address Dick's group and talk about the cuts and all the changes. It was a bit of a risk, but Dick asked her if he could say a few words to the group of about 200 employees assembled in the room. In his familiar straightforward style Dick said, "Let's cut to the chase. David Lynch [the former head of the business unit that had been merged into Dick's part of the organization] built this organization. He was here for 35 years, and he did an outstanding job. We're at a crossroads right now. We can sit here and moan and feel sorry for ourselves because it's not the same old bank. Or we can do what he would want us to do, which is build on the legacy he left behind and really show people what this organization is made of -- its pride, its personal responsibility in delivering excellence. That doesn't change." You could feel the spirits lift and the attitudes shift the day that Dick made those comments.

What Dick did in this situation promoted psychological hardiness in three simple ways. First he was proactive and encouraged others to be proactive -- to take charge of change. He showed them it was within their abilities to do it. Second, he infused the challenge with meaning by invoking the work of his predecessor and values that people shared. Third, he increased commitment by recognizing the abilities of everyone in the group to do it. He appealed to their personal pride and their ability to deliver excellence.

This is the kind of fertile field that makes leadership everyone's business and enables people to grow and develop.

Create a Climate of Trust

IN the thousands of cases we've studied, we've yet to encounter a single example of extraordinary achievement that didn't involve the active participation and support of many people. We've yet to find a single instance in which one talented person -- leader or individual contributor -- accounted for most, let alone 100 percent, of the success. Throughout the years, leaders from all professions, from all economic sectors, and from around the globe continue to tell us, "You can't do it alone." Leadership is not a solo act; it's a team performance.

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Turbulence in the marketplace, it turns out, requires more collaboration, not less. The increasing emphasis on networks, business-to-business and peer-to-peer e-commerce, strategic acquisitions, and knowledge work, along with the surging number of global alliances and local partnerships, is testimony to the fact that in a more complex, wired world, the winning strategies will be based on the "*we not I*" philosophy. Collaboration is a social imperative. Without it people can't get extraordinary things done in organizations.

At the heart of collaboration is trust. It's *the* central issue in human relationships both within and outside organizations. Without trust you

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cannot lead. Without trust you cannot get extraordinary things done. Exemplary leaders are devoted to creating a climate of trust based on mutual respect and caring. Individuals who are unable to trust others fail to become leaders, precisely because they can't bear to be dependent on the words and work of others. Their obvious lack of trust in others results in others' lack of trust in them.

Creating a climate of trust is exactly what Jeanne Rosenberger, dean of student life at Santa Clara University, did when she was faced with a very challenging situation on campus. Jeanne found herself the link between the administration and a student group protesting SCU's acceptance of a \$50,000 gift from a major government defense contractor. Jeanne needed to find a way to keep the protest from escalating, to ensure everyone's safety, to safeguard the health of the students who were fasting as part of their protest, to use the event as a learning opportunity, and to formulate a win-win outcome.

Jeanne's aim was to create a calm, collaborative setting rather than a confrontational one. This she managed step by step, gaining agreements and trust from both groups along the way. She made sure that a neutral location was used for meetings. She emphasized the importance of face-to-face communication and careful listening. She began each conversation with the students by asking about their health and well-being -- not with an ultimatum. She gained the students' trust by advocating that the university call the local police department or campus safety office only if needed, rather than having a constant police presence or threat of action.

As a result, the protest remained peaceful, the students fasted for four days -- all with no health problems -- and a dialogue began about the development of a gift policy. In addition, after the demonstration, Jeanne made use of the educational opportunities, involving students in reflecting on what they had learned -- about the demonstration, about the university, about corporations, about leadership, and about themselves. For these youthful activists, learning the importance of trust in the resolution of differences is a powerful leadership lesson they will carry with them beyond the grounds of the campus.

Develop Relationship Skills

LEADERSHIP is a relationship between those who aspire to lead and those who choose to follow. Sometimes the relationship is one-to-one. Sometimes it's one-to-many. But regardless of the number -- whether it's one or one thousand -- leadership is a relationship. If leaders are going to emerge, grow, and thrive in these disquieting times, they must become socially competent. We can't have positive face-to-face interactions if we don't have competence, and competence is crucial to our personal and organizational success.

Daniel Goleman has generated widespread awareness of this set of abilities, which he and others refer to as *emotional intelligence* (EI). He describes it this way: "Emotional Intelligence -- the ability to manage ourselves and our relationships effectively -- consists of four fundamental capabilities: self-awareness, self-management, social awareness, and social skill."

Emotional intelligence is no passing fad, and because of the vital importance of this competency to executive success, Egon Zehnder International has become a leader in applying emotional intelligence to the world of work. That effort has been spearheaded by Claudio Fernandez-Arãoz,

EZI partner and a member of its Executive Committee. Claudio knows from personal experience the significance of this burgeoning field, having conducted hundreds of senior executive searches and supervised a number of studies on EI. "This experience has left me with no doubts," he says, "about the relevance of emotional intelligence to senior management success. . . . The classic profile organizations look for in hiring a senior executive (relevant experience and outstanding IQ) is much more a predictor of failure than success, unless the relevant emotional intelligence competencies are also present. In fact, serious weaknesses in the domain of emotional intelligence predict failure at senior levels with amazing accuracy."

What Claudio is saying is serious stuff. Senior executives can graduate at the top of the best business schools in the world, reason circles around their brightest peers, solve technical problems with wizard-like powers, and have all the relevant situational, functional, and industry experience -- and *still* be more likely to fail than succeed, unless they also possess the requisite personal and social skills.

Mastery of any vocation requires skill-building efforts. You can't paint without skills, you can't write software code without skills, you can't sell without skills, and you can't lead without skills. Mastery of leadership requires mastery of those skills central to developing and maintaining positive relationships with others. This is no time to cut training and coaching budgets. This is no time to skimp on teaching people the skills that will enable them to listen, to communicate, to resolve conflicts, to negotiate, to influence, to build teams, and otherwise to strengthen the capacity of others to excel. Organizations serious about leadership will make the appropriate resources available, and individuals who recognize the opportunities for greatness inherent in today's challenges will make the time available to improve their leadership skills.

Leadership Matters

RECENTLY Vince Russo, executive director of the Aeronautical Systems Center at Wright -- Patterson Air Force Base, related to us that in his 40-year career he'd been part of more than 15 strategic initiatives -- from zero defects to management-by-objectives to total quality management to lean thinking to reengineering. "You name it," he said, "and we've done it." They've come and gone, but "I've observed one constant theme across all of them," he continued. "The theme is that leaders have to step forward and get involved with change. Although each idea on how to do change is somewhat different -- and they all have some good parts -- without leadership, nothing works."

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Leadership is not a fad. It's a fact. It's not here today, gone tomorrow. It's here today, here forever.

Leadership matters. And it matters more in times of uncertainty than in times of stability. And since leadership matters more in times of uncertainty, then leadership development should matter more now than ever. If today's leaders want tomorrow's organizations to thrive, they have an obligation to prepare a new generation of leaders.

Stuff happens in organizations and in our lives. Sometimes we choose it; sometimes it chooses us. People who become leaders don't always seek the challenges they face. Challenges also seek leaders. It's not so important whether you find the challenges or they find you. What is important

are the choices you make when stuff happens. The question is, When opportunity knocks are you prepared to answer the door?