

THE MACRIS GROUP

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From Dean's Desk:



It seems like Leadership has been a topic for enough books, articles and seminars to have its own wing in the Library of Congress. In Update we have addressed the subject of Leadership on several occasions and through our most recent series of articles. Whether in business, in government, in non-profits or in the religious world we way too frequently read about failures of Leadership. It may be the company executive who makes terrible decisions that create disasters for his/her company; or it may be the Governor who lies about his whereabouts so he can jet off to his "soul mate" or a religious leader whose behavior is 180 degrees opposed to what he espouses.

Why does this leadership gap seem to be endless? Why do we continue to fill key positions with people who are either not qualified or who prove to be incapable of performing at the level expected of them in their lofty positions? Do we expect too much of our leaders? Should the performance expectations be lowered? Are there good leaders out there? If so how do we develop them and tap into them? We are exploring this issue, but one of our thoughts leads to this article where we examine a concept that is as old as the Bible.

Why I am so Important – the case for Servant Leadership

"The servant-hood of leadership needs to be felt, understood, believed and practiced if we're to be faithful. The best description of this kind of leadership is found in the book of Luke: The greatest among you should be like the youngest and the one who rules like the one who serves." Max DePree, *Leadership Jazz*.

A. C. Macris

Lawrence A. Reiter

Introduction

Few words evoke emotion more than 'entitlement.' Typically, we associate the word with programs for those less fortunate members of society. With the traditional understanding of entitlement comes taxes, giveaways etc. which are contrary to the American way of life. That is not the context we use the word in this article. Entitlement when self-administered is even more insidious. Since we have been studying and writing about leadership and working with organizations on their leadership development, we have noticed a tendency (though not universal) for leaders to be more interested in their own importance and well-being than the overall well-being of their organization. There is a tendency for leaders to feel entitled –to special privilege, to a different set of rules, to behave according to a self-defined code, and to a position of status and self importance. With that focus on self, they begin to lose touch with the organization that they are committed to lead. I heard from one CEO, to

his credit and by his own admission, that he had "lost touch with the proletariat." Corner offices are lethal from a leadership perspective. In contrast, one of the most successful companies is Zappos, the e-commerce shoe company. Zappos CEO's office is a cubicle with his workers. He is engaged and connected. Is he important, sure, he is, but his importance is not self-administered, it is earned and demonstrated?

The following was excerpted from a magazine, *Strategy and Business*:

The economic crisis was a reflection of narcissism and very primitive defense mechanisms (such as a complete denial of economic reality) built into the financial system. The best and brightest MBA students have been going into investment banking; many of them used their brains essentially to play casino games and not add much value to society.

Now we've seen the result. Look at the least-admired professions in most countries over the years; telemar-

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keters and used-car salesmen. Today, you have bankers and CEOs achieving the same low rating. Companies like Citibank, which was the brainchild of one of the most visibly narcissistic executives in the world, Sanford Weill – have essentially collapsed. They have grown too complex for the people who work there to understand.

...

No matter what kinds of regulatory reforms are initiated, more companies will collapse this way, because narcissism breeds this kind of unmanageable grandiosity.

This entitlement attitude is not limited to CEOs; we see it in the full spectrum of leaders at varying levels of organizations and certainly including our political leaders. What happened to Service? What happened to leaders being considered teachers, mentors, role models and other aspirational positions? Instead, they are now perceived on the same scale as used-car salesmen.

Max DePree, who has written some of the most compelling books on leadership, says in his book *Leadership Jazz*, “Leaders certainly need to know where they stand, but how do leaders stand? A sound philosophy isn’t enough we all need to connect voice and touch. The active pursuit of a common good gives us the right to ask leaders and managers of all kinds to be not only successful, but faithful.”

Narcissism and Leadership

In our research for this article, we found a wealth of writings on narcissism and leadership. Michael Maccoby wrote an article for the January - February 2000 issue of the *Harvard Business Review* titled “Narcissistic Leaders: The Incredible Pros, the Inevitable Cons” where he distills the positive and negative behaviors of narcissistic leaders. Mr. Maccoby is an anthropologist and psychoanalyst who refers to productive narcissists as gifted and creative strategists who see the big picture, and have the ‘audacity to push through the massive transformations’. Further, they are ‘not only risk takers willing to get the job done but also charmers who can convert the masses with their rhetoric.’ In contrast, he indicates that when productive narcissists become unproductive they “lack in self-knowledge and restraining anchors, they become unrealistic dreamers. They nurture grand schemes and harbor the illusion that only circumstances or enemies block their success. This tendency toward grandiosity and

distrust is the Achilles’ heel of narcissism. Because of it, even brilliant narcissists can come under suspicion for self-involvement, unpredictability and—in extreme cases—paranoia.”

More specifically Mr. Maccoby’s research points out narcissistic leaders have two fundamental strengths:

- Great Vision
- Scores of Followers

Ironically, their weaknesses outnumber their strengths:

- Sensitive to Criticism
- Poor Listeners
- Lack of Empathy
- Distaste for Mentoring
- An Intense Desire to Compete



Rather than delving into the specifics of Mr. Maccoby’s findings, we will gladly send you the article if you wish. The point here is, as with almost anything in the world of leadership development and understanding, there needs to be balance. As usual, we are not providing a silver bullet here either. What we hope to do is provide insight to provoke your thinking and self-assessment. We should also point out that the economic and business climate was very different in 2000, when this article was published. Given today’s climate the negatives Mr. Maccoby identified are probably even more dominant over the positives as we have seen so many cases of

poor management by organizational and political leaders.

As part of our leadership development workshops and consulting, we administer several different assessment instruments. Each of them is different, for different applications. But one of the primary uses is to increase self-awareness, as well to provide insight into how an individual can recognize weaknesses and compensate for them, and leverage their strengths to benefit their ability to lead. In each of these instruments, negative feedback is presented to provide understanding of the impact of the behavior and its ramifications, if taken to the extreme. This feedback aims to aid in the self-assessment/self-discipline behavior modification. In the case of narcissism, when taken to extreme levels there appears to be not only a destructive impact, but also the effect seems multiplicative. 60 Minutes, the Sunday evening television program, reported a story about Marc Dreier, who ran a \$400M Ponzi

scheme. 60 Minutes pointed out that Mr. Dreier's story never made the front pages because Bernie Madoff was arrested a few days after Mr. Dreier. To gain the full impact of the Dreier story please visit www.cbsnews.com and visit the 60 Minutes page. In the program, Mr. Dreier made a few interesting comments. His credentials and educational background were impeccable. As an attorney, he had a great vision for his law firm. When asked how his drive went astray, Mr. Dreier indicated that he could not remember, but what looking back he stated that his "ambitions needed to be fed." He then followed that statement with something to the effect Of "I wanted to be as important as I thought I should be." His vision, his ambition and his risk appetite became his downfall. Those narcissist strengths became his Achilles heel.

What is the point here? The point is very simple. Narcissism need not be at odds with Servant Leadership. The two must be kept in balance. Great vision, charisma and the ability to take prudent risks are all admirable characteristics of a leader, but none of those things means entitlement.

Leadership – the balancing act

I spent over five years in the US Navy and one of the fundamental comments always made was Rank Has Its Privilege (RHIP). This principle manifested itself in interesting ways, as a junior officer assigned to a nuclear submarine, the Commanding Officer and his Executive Officer had their own staterooms, which were as large as a stateroom for three junior officers – RHIP. However, let's look at what came with RHIP, responsibility and accountability. The CO and XO usually were working late after most of us left on liberty. If anything—and I mean any little thing—went wrong, the CO and XO had the ultimate responsibility (not that we, as junior officers didn't feel the pain). However, even with the prestige, honor and authority of command, the entitlements were limited.

Advance forward to "modern times." The concept of RHIP seems to have survived, but the associated levels of responsibility and accountability seemed to have slipped. Consider this question: how many corporate, political and even religious leaders have leveraged their privilege but forgot about responsibility and accountability? What is even more troubling is when they are exposed and "caught" the consequence is actually not punitive, it typically results in them being relieved of the problem *carte blanche*, given a very nice golden parachute, and rarely heard from again, most probably because they are secluded in some luxurious remote location. Remember

BP's Tony Hayward. How nice to be relieved of the problem, now he can go sailing and 'get his life back' just as he had wished. WOW, what's wrong with this picture? Even if an organization is not huge, narcissism is prevalent. RHIP is alive and well in the hallways of corporate, political and religious leaders. What's more troubling is that the escape route is one of temporary embarrassment followed by other job offers, rewards (money), book deals - maybe, and speaking gigs depending on how brash they are. This all seems rather one sided – the negative – what's to balance? The point here is to leverage those visionary and other narcissistic qualities without letting them take over. Think of the impact a person can have on an organization if great vision, charisma and other narcissistic qualities, are kept in check and balanced with the concept of servant leadership.

Let's go back to Max DePree, in *Leadership Jazz* :
 "Leadership is a job, not a position. The people who work for you are not your people; you are theirs. Leadership is good work because leaders feel a strong need to express their potential and because they wish to serve the needs of others. This is the essence of becoming a servant leader."

Servant Leadership

We have committed a lot of discussion on narcissism; the real focus of this article is Servant Leadership. What is Servant Leadership? It is not the opposite of narcissism, it is more of an awareness, self-discipline and self-assessment, and commitment to something bigger than one's self imposed importance. There is no RHIP in servant leadership. There is no 'them and us.' There is no proletariat and aristocracy. Servant Leadership recognizes the importance of all in the organization and seeks out ideas from and works to serve all in the organization. Servant leadership is Accountability, Grace, Quality, Service, and proper Measurement. Servant leadership is hard work. So what does this all mean?

Proper Measurement

To begin, we will start with the last item – Proper Measurement. As we have been writing about leadership over the past couple of years, it has become clear that too many leaders view leadership as a science and not an art. Consider our previous articles which focused on the over-reliance on metrics to the detriment of people. This over-reliance is a significant concern on our part regarding the deterioration of leadership in general. As we have noted before, metrics are certainly important but they should not be the sole factors in making decisions, particularly deci-

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sions that are critical to the mission or the success of an organization. Successful leaders always consider many factors when making critical decisions – the metrics, the human factors, the social factors and, frequently, their gut instinct. As stated by Max DePree, "leaders need to choose what to measure in life....Good short-term results are not synonymous with long-term needs; good numbers don't result from managing numbers."

The Servant Leader must first accept and embrace these other factors. Why consider human factors? Why should the organization have a social mission? Why should a leader consider and trust his gut instinct? Let's briefly look at these questions.

Human factors - it should be obvious but unfortunately, it is not too often. A company is made up of buildings and equipment, technology and people. In some companies, the buildings and equipment dominate the technology, while in some the technology far outweighs the bricks, mortar and steel. However, a constant is the people. Without people, a company or organization is nothing. Making decisions without considering the people is very shortsighted. Too often we have seen recent decisions made to down-size or eliminate payroll that provide short term gain at the expense of long term success

Social mission – every company should have a social mission whether it be supporting the United Way or sending employees into schools to serve as mentors or even larger impacts on the community or even society. These social missions do not go away in difficult times.

Gut instinct – we have addressed this in length in our prior article "Loss of Instinct and that Good Old Gut Feeling" in the Volume 5 Issue 4 edition of Update. In that article, we provided examples of leaders who trusted their instinct and found success. If a person is in a leadership position, he or she should bring significant real world experience. They will have had success and failures and should have developed an instinctive knowledge base that needs to be trusted.

Grace

Grace is one of those intangible things – when you see it you know it is there and when it is not, you know that, too. Our concept of Contextual Leadership examines leadership in a very different way. We identify individual leadership dimensions of Attributes, Experience and Competencies, as follows:

Attributes

A quality or characteristic of a person. An object associated with and serving to identify character, personage or office, used to ascribe quality.

An attribute, unlike "property" is a quality that is less precisely known and is only ascribed to someone or something. (e.g. 'properties of iron' 'attributes of God').

Experience

To respond or react discriminatively to (a set of events within the environment)

Made skillful and wise through observation of or participation in a particular activity or in affairs generally

- Possesses diverse industry background and business experience
- Multiple leadership positions
- Strategic planning
- Track record
- Experienced some failures

Competencies

Skills — taught and practiced

Knowledge — capabilities gained through education and on the job training

- Business Knowledge
- Motivation
- Delegation
- Negotiation
- Emotional Intelligence
- Risk Management
- Team Development

What does this all have to do with Grace? With understanding of one's attributes, experience and competencies, with understanding of the context in which these dimensions should be used along with self-discipline and self awareness, an individual leader can begin to gain an insight into grace. Once again referencing Max DePree, he poses a question about any institution: "What can grace enable us to be?" Think about it. Also, think about your organization; would the employees, guests, customers, refer to your organization as one with Grace? If not, what can be done to change that?

Accountability

Let's go back to the nuclear submarine and examine accountability. In the military context (there's that word again), the lines of accountability are clear and well defined. In a traditional context, the lines of accountability tend to be operational and mission centric. Moving away from that perspective, in the context of servant leadership, accountability takes on a different perspective. The submarine commanding officer is accountable to his crew and their families. The submarine is nowhere near as effective in accomplishing its mission if the CO does not understand this responsibility. His individual success is also a function of how accountable he is to his crew. Yes, he is the CO, but a mistake, a bad decision, or lapse in judgment can influence not only the mission, but also the lives of many people who depend on his good decision-making and judgment. Transitioning to the civilian world, servant leadership and accountability are equally as important, just in a different context. There is a perception, though, that the line of accountability is vertical, but from the CEO's perspective, it is only vertical in the upward direction, to his Board of Trustees, Directors, or owner. We might suggest that rarely is there the realization that a CEO is accountable to his people. With servant leadership this perspective changes and the CEO understands that he is accountable to those for whom he works.

Quality

Conventional understanding of quality focuses on the quality of products or services offered, manufactured, produced by an institution or company. We have quality control programs, assessments and audits. These are all necessary and we are not suggesting in any way that this understanding of quality is passé or unimportant. What we are saying is there is more to this definition. The servant leader shares the above understanding but also realizes those qualities of life, quality of neighborhood, quality of relationships are essential to product/service quality.

Service

Service is a commitment to doing the right thing all the time. Keeping perspective, maintaining consistency, and ensuring that your people know you will do what is best for the institution or organization that will be the best for them. Sounds lofty, but as will every aspect of servant leadership when a leader serves it ripples throughout the institution or organization and it is recognized internally and externally.

“A place of realized potential encourages people to decide what needs to be measured and then helps them do the work. ...We need to learn how to measure what's significant, how to measure matters of the spirit, how to measure strategic needs, how to measure competence, how to measure results, we also need to learn how to measure moral purpose in our organizations.”

Max DePree, *Leading without Power—Finding Hope in Serving Community*.

Exceptional leadership service is reflected in business results and people results. In contrast, and I am sure you all have seen this, when service is missing the malaise is known and felt.

Conclusion

Why am I so important - the narcissistic tendency of leaders is nothing new. Leaders need to be bold, be visionary and make difficult decisions. The article referred to earlier by Michael Maccoby was written in a different economic time when such leaders were able to more easily achieve

success and be recognized despite or in spite of their narcissistic traits. The leadership environment has changed and success is much more difficult to achieve. Leaders need to adapt and too often, we have seen examples of narcissistic leaders who have not adapted and have had negative impacts on their organizations.

We stated that our real focus in this article was on servant leadership. A servant leader must listen and communicate freely and openly; must have empathy for those he/she serves - customers, employees, stockholders, etc. The servant leader must, first, serve not dominate and dictate. If a leader is a servant first and a leader second success will be more easily achievable - especially in the current economic climate. We started this article with a passage from the book of Luke, and close with a passage from Mark 9:33-41: “and he sat down and called the twelve; and he said to them, ‘If any one would be first, he must be last of all and servant of all.’” The interesting thing here is the lessons of the Bible go far beyond the strict religious context, reach out to today's challenges, and are actually quite relevant.

TMG

The Macris Group

PO Box 535, Mystic, CT 06355

860.572.0043

www.themacrisgroup.com, acmpc@acmacris.com