

# Leadership on the Line

Staying Alive through the  
Dangers of Leading

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## Think Politically

One of the distinguishing qualities of successful people who lead in any field is the emphasis they place on personal relationships. This is certainly true for those in elective office, for whom personal relationships are as vital as air is to breathing. For political people, the merits of a cause and the strategy used to move it forward are relevant but not controlling. The critical resource is access, and so the greatest care is given to creating and nurturing networks of people whom they can call on, work with, and engage in addressing the issue at hand. Able politicians know well, from hard experience, that in everyday personal and professional life, the nature and quality of the connections human beings have with each other is more important than almost any other factor in determining results.

There are six essential aspects of thinking politically in the exercise of leadership: one for dealing with people who are with you on the issue; one for managing those who are in opposition; and four for working with those who are uncommitted but wary—the people you are trying to move.

### **Find Partners**

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Finding partners is sometimes easier said than done. Both your own faction and other camps will happily watch you take on the

challenge alone. Your own group wants to see how secure the footing is before they follow. Why should they risk their necks? And if you disrupt the status quo too much, other factions can push you aside more easily if you are by yourself.

Indeed, there can be internal pressures, inside of you, that resist joining forces. Partners might push their own ideas, compromising your own; connecting with them takes time, slowing you down; and working with a group might dilute your leadership—a drawback if it is important that you get credit, or if you want to reassure yourself and others of your competence.

Our friend Jack is trying to create a new organization for research and training built around a set of ideas about management. He has secured enough funding to get the program off the ground and to underwrite a core set of initiatives for several years. The word has gotten around, and so Jack spends a lot of time wading through offers of help and proposals. E-mails, letters, and calls come in every day from associates and colleagues who want to be part of the new enterprise. He feels torn. He knows that he cannot do it alone, but he is certain that some of these people will undermine the clarity of his vision, delay his progress, and divert him from his core purposes. He wants to create an organization that is flexible and open, but he does not want to dilute the power of his ideas, which he has been formulating for twenty years.

M. Douglas Ivester also experienced those internal drives to do it alone. He was born in 1948, the son of a factory foreman in a small town in Georgia. He became an accountant and began a career at Coca-Cola as its outside auditor, joining the company full-time in 1979. A prodigious worker, he would come into the office at 7:00 A.M. every day of the week, including Sundays. He climbed rapidly up the organizational ladder on the financial side by solving any and all financial problems thrown at him, no matter how complex. He always managed to pull a rabbit out of his hat. In 1985, at age 37, he was appointed chief financial officer. He continued to shine in the role, developing creative financial and accounting moves and methods that increased Coke's bottom line and market

share. He increased his visibility and experience within the company by moving to the operations side, where he studied management and hired tutors to fill in the gaps in his own training. But his habits did not change: working long hours and attending to the most minute of details (“8-day-a-week work ethic” was how *Time* magazine described it<sup>1</sup>). When legendary Coca-Cola CEO Roberto Goizueta died of lung cancer in October 1997, it took the board of directors only fifteen minutes to appoint Ivester, by then the chief operating officer, to succeed him.

As CEO, Ivester operated with the same passion and commitment. No problem was too small for his attention. Coca-Cola board member Warren Buffett tells the story of casually mentioning to Ivester that Buffett’s grandson’s favorite pizza parlor served Pepsi, only to find that it had been replaced by Coke on his next visit.

Ivester took the idea of going it alone to an extreme. He resisted the board’s importuning to hire a deputy to fill the role he had occupied under Goizueta. He reduced his direct reports from sixteen to six, in the process demoting the highest-ranking African-American in the company, a former city council president in Atlanta, Coca-Cola’s headquarters city. He made decisions about investments, personnel, and media relations that were consistent with a single-minded strategy for ever-increasing growth and market share. But his moves did not take into account the sometimes countervailing interests of the company’s “extended family” of bottlers, politicians in countries where Coke wanted to expand, or even customers. For example, he discussed with the press the development of a new dispensing machine that could be programmed to change prices—that is, increase them—on warm days when demand would rise. He didn’t consider how badly this might play with consumers. And when Belgian schoolchildren became ill after drinking Coke products, Ivester decided to wait for more information before flying there to apologize. By the time he arrived it was too late. Coke’s reputation had taken a severe blow just at the time when the company was trying to convince European regulators to

approve acquisitions that were being opposed by Pepsi and other beverage companies.

After only two years into the job, Ivester had one by one alienated key constituencies, including his own board of directors. And while he was trying to do it all by himself, Coca-Cola's bottom line was not improving. He continued to insist to the board that if they would just leave him alone, he could make the right decisions—do it all, as he had always done, by working long hours and attacking every problem with his own intellect and energy. The board disagreed and forced him to resign in December 1999, barely into the third year of his tenure.

This unconscious dynamic is really a systemic reality in the modern world. As obvious as it was to Jack and to Douglas Ivester that it would be impossible to do it alone, there were real and formidable incentives inside and around each of them pushing them to be out there by themselves.

It's not a good idea. Partners provide protection, and they create alliances for you with factions other than your own. They strengthen both you and your initiatives. With partners, you are not simply relying on the logical power of your arguments and evidence, you are building political power as well. Furthermore, the content of your ideas will improve if you take into account the validity of other viewpoints—especially if you can incorporate the views of those who differ markedly from you. This is especially critical when you are advancing a difficult issue or confronting a conflict of values.

Finding the right partners can be tough. Why? Partnering on an issue means giving up some autonomy, causing both you and your potential partners some degree of reluctance about getting together. Moreover, developing trust takes the time and the perseverance to move productively through conflicts. But without working together, your efforts incur greater risk.

Sara lived in the Midwest and enjoyed considerable professional success designing newspapers and magazines. Then a large, successful daily newspaper in the Northeast hired her to completely re-

design the product and make design a factor in decisions throughout the organization—an undertaking that would alter the paper's culture, not merely its appearance. The editor of the paper sponsored her recruitment and hiring. He understood that the visual age had arrived. He knew that if he were to succeed not only in having the paper grow and prosper, but also in becoming a nationally respected journalistic institution, he had to modernize its look.

But the idea of a major redesign clashed with the culture of the company and threatened reporters and editors. To them, designers made the newspaper “pretty,” which, in turn, made it fluffy and soft. They feared that they would lose copy space to pictures, illustrations, and, worst of all, to plain, empty white space, all in the interests of aesthetics and spoon-feeding readers. There would be protocols for page layouts, the size of headlines, the choice of typefaces, and the use of captions. The front pages of the various sections would have to be laid out earlier than before. Editorial staff felt the new design scheme would hinder the freewheeling, seat-of-the-pants tradition that was central to daily newspapering. The relatively unfettered discretion of the writers and editors would be forever compromised.

Sara and the editor were under no illusions. They knew this would be a rough journey. They understood that he would have to support her and act as a lightning rod for the criticism that would surely come her way. Without his help, she could never bring about a deep, value-laden change in the way people at the newspaper understood their work.

Sara also knew that even with his backing, people who did not believe in her efforts would attack any vulnerability she revealed. Although she did not want to stay at the same paper forever, she did want to leave behind a permanent improvement. If she did not plan carefully, people at the paper would easily undo whatever progress she had achieved. She had to find a way to ensure that her work could not be rolled back once she had left the scene.

Sara understood that the editor's partnership was necessary but not sufficient. He would back her unless, or until, the heat became

so intense that he risked losing his own authority. She knew that the temperature level he could tolerate would in part be a function of the additional support she gained for her initiatives. So she set out to find more partners, identifying and wooing the very small number of senior people in the organization who shared her view that design mattered. She kept them informed, and a few of them became reliable allies.

In addition, and perhaps more important, she resisted the temptation to try to retrain existing employees, particularly the layout team, to become designers. Instead, she recruited from the outside. She hired as quickly as possible and as many new people as the editor would permit, going after the best and brightest graphic designers she could find. Eventually she built a solid cadre of design acolytes who were totally committed to design and did not have to overcome the cultural baggage of a previous history at the paper.

Sara survived for several years and was undeniably successful. Before leaving, she had woven design deeply into the fabric of the organization. Now, nearly everyone at the paper accepts the idea that part of the daily publishing challenge is making the paper look good. Designers work routinely and collaboratively, if not always amicably, with reporters and editors. After her departure, Sara's detractors could not turn back the clock on the changes she had made. She left behind not only a very different-looking newspaper but also a different culture: a group of young designers thoroughly integrated into the organization and determined to keep the momentum going.

Her partners, both in the design department and those few on the news side, saw her through some difficult moments, kept her afloat for a long period, and ensured that her accomplishments would stick after she left. She could not have done it alone.

During her tenure, Sara operated from a position with very little formal authority, certainly not enough to accomplish the culture change that she desired. Her partners—her design-supporting allies—gave her some running room, some informal authority to



tread into new territory. But even people with great authority and a powerful vision need partners when they are trying to bring about deep change in a community.

Robert Moses, sometimes called the greatest builder of public works since the Medici family, took on the challenge of changing the face of New York City in the 1930s. He envisioned creating a system of large parks, parkways, beaches, and bridges, all coordinated, connected, and designed to meet the needs and desires of New York's growing middle class. He developed enormous formal authority. During the course of his career, he accumulated a huge power base, holding several gubernatorial and mayoral appointments. He promoted his ideas with such oratorical skill and persuasion that his political overseers granted him more and more power. The state legislature gave him eminent domain authority and discretion over a large, steady stream of revenue from bridge tolls.

Nevertheless, Moses understood that with all of his power and resources, he could not create sustained revolutionary change without key partners. He had plenty of opposition. Other people and other interests wanted to get their hands on the huge sums of money he controlled. There were competing ideas for parks. People whose homes or businesses stood in the way of his plans fought him at every turn. He offended someone with every idea he proposed.

For his first big initiative, Moses created a public beach on Long Island—what became Jones Beach. He carved this out of property owned and occupied by well-connected and wealthy families on a handful of big estates. Most of those folks opposed him, albeit unsuccessfully, horrified by the idea of making their private preserve accessible to thousands of “ordinary” people. Many simply lost their property when Moses came along, armed with his power of eminent domain.

When Moses moved into Manhattan and the Bronx, he met stiffer resistance. The people whose homes and businesses he wanted to seize fought him bitterly. They were shrewder opponents

than the Long Island landed gentry, and more numerous. The tight-knit communities he disrupted organized themselves to challenge him. And the advocates for other interests—education, social services, and the like—fought his projects with the clout of their well-established groups. Collectively they posed a considerably greater threat to Moses' vision, even though individually they were not as rich or powerful as the big property owners on Long Island.

Moses possessed far more formal power in his community than Sara did in hers. Nevertheless, he, too, understood that even with all his legal authority and all his money, he could not see his ideas through to completion by himself, supported only by his own factions: his employees, contractors, and those who shared his vision.

He expended enormous effort in finding additional partners. He explained his vision to the newspapers. He used whatever means were at his disposal to create alliances with key political figures. He formed relationships with midlevel people in other agencies who bought into his vision; they, in turn, provided him with inside information so he could counter efforts to derail his projects. He knew the attacks were coming; well-intentioned people with very different visions wanted to stop him. He did not aspire to be popular. Even some of his partners did not like him personally, but they believed in what he was trying to do.

Like Sara, Moses understood that whatever formal power he had, he needed the partnership of senior authority figures in order to survive and succeed. For Sara it was her editor. For Moses, it was the governor of New York and the mayor of New York City. Neither of them could have accomplished anything of lasting significance without these partnerships.

They both understood another essential idea: Partners who are members of the faction for whom the change is most difficult can make a huge difference. From the start, Sara had a few people in the newsroom who valued design. Moses had allies in other agencies of city and state government. These partners not only provided key

intelligence and enabled each of them to monitor what was happening in pockets of resistance, but they were much more effective advocates and useful lightning rods within their own camps than Sara or Moses could ever have been.

Finding real partners—people both inside and outside your organization who share the same goals—takes considerable time and energy. However, making the effort pays off. Successful CEOs such as Jack Welch, formerly of General Electric, and Leslie Wexner of The Limited have referred to themselves as the chief personnel officers for their corporations, recognizing that getting the right people on the team is their number one priority and responsibility. But they also understand that partnerships are not unlimited, unconditional, or universal.

A natural ally agrees with you on your issue and is willing to fight for it, but the alliance doesn't mean your partner will abandon all other commitments. No doubt your ally enjoys many relationships and identifies as a loyal member of other groups. Think of that as good news. After all, allies from other factions within or outside the organization help enormously by working within their faction on the issues you care about. Creating change requires you to move beyond your own cohort, beyond your own constituents, your "true believers." In order to use your allies effectively, you need to be aware of those other commitments. If you forget about them or their influence on your partner, you risk undermining your effectiveness and destroying the alliance.

Tom Edwards and Bill Monahan worked in different parts of a manufacturing company in the Northwest. Tom worked in information technology, and in Bill, who worked in sales, he had found a reliable ally for moving the company kicking and screaming into the world of high-speed IT. Bill not only worked the IT adaptation within his own group, but he gave Tom credibility on the issue company-wide.

Tom and Bill were also good friends, and their families socialized with one another. One evening, over dinner, Tom shared with Bill his strategy for getting the senior management team to approve the

purchase of a new information management system at a meeting the next day. In the long run, the new system would save the company millions of dollars, but in the short run implementation required a difficult and painful transition in which some folks, including some people in sales, would probably lose their jobs.

Tom sensed some coolness in Bill after he laid out his plan, and asked whether something bothered him. “I wish you hadn’t told me,” Bill said. “I need to protect my people on this one and now you’ve given me some important information as to how I can do that before tomorrow’s meeting.”

In the end, Tom did not lose the alliance because Bill had openly shared his conflicting loyalties. They had a solid relationship where neither person held back, and they could talk things through in long, and at times difficult, conversations. But more often in such cases, an ally like Bill would just listen and go home, and then toss and turn all night wondering what to do. To whom should he be disloyal? In the end, he might be tempted by the easier option of staying loyal to his sales group and, in their interest, abandon Tom. All the while, a person in Tom’s shoes might show up at the meeting thinking he had done his groundwork, only to find that his ally had done some preparation, too, and was taking action to derail the project.

This happens all the time. Have you ever gone to a meeting and realized that there was a “pre-meeting” that did not include you? The pre-meeting allowed those attending to minimize their internal conflict at the real meeting, present a united front, and isolate you.

It’s a mistake to go it alone. By doing the same kind of homework, you can increase the possibility that both you and your ideas stay alive. Make the next meeting one for which it is you who have made the advance phone calls, tested the waters, refined your approach, and lined up supporters. But in the process, find out what you are asking of your potential partners. Know their existing alliances and loyalties so that you realize how far you are asking them to stretch if they are to collaborate with you.

### **Keep the Opposition Close**

As the executive director of a local nonprofit organization, Pete developed and maintained shelters for homeless and physically disabled people in an upper middle class suburb in southern Connecticut. He had achieved a record of remarkable success. He carefully planned each project from concept through land acquisition and implementation. He operated with political sensitivity. As a result, he acquired broad support from elected and appointed officials in town government.

Now he moved forward in a slightly new direction. He organized to create a home for mentally ill residents of the town, so that they could choose an option other than a remote hospital-type facility or living on the streets. The potential residents were stable people, but they could not afford to rent or buy in the high-income community. Pete's organization already owned the land he had targeted, a lot on a main highway next to a McDonald's restaurant that backed up to a residential area. A halfway house, which had been operating without incident for over fifteen years, occupied part of the lot.

Pete went to the elected executive of the town and received support for an application for a grant from the U.S. Department of Housing and Urban Development to build eight units of permanent housing on the site. He had to jump over only one more administrative hurdle: approval from the town planning and zoning commission.

Pete did most of his background work. He sought and received strong support from the fancy, locally owned clothing store across the highway. He worked with the bureaucrats in town hall. The chair of the Planning and Zoning Board told mutual friends that she favored the project. The architectural competition produced a creative design showing how affordable housing could be built cheaply, but attractively, on the site. Pete notified the neighbors, as the law required him to do, sending them a letter to let them know the plans.

The Planning and Zoning Board met monthly. Pete prepared for the February meeting, when the project made it onto the agenda. But the board had to reschedule the discussion for March because the public notice for the hearing came out late, and the community had not been given the necessary two weeks advance warning.

Only two nearby residents appeared at the February meeting, and they were obviously unhappy with the plan. Pete had resisted having a neighborhood meeting because he knew it would be unpleasant. He said he hated those “angry neighbor” meetings. But between February and March he grudgingly met with the two folks who showed up in February. He remembers their leaving “very disgruntled. They felt we were undermining their property values and endangering their children.” They would return in March.

At the March meeting, the two February opponents had morphed into an angry group of forty. When it was their turn to speak, they opposed the project forcefully and vociferously. As Pete recalls, “They said their kids would no longer be safe going to McDonald’s, that we were lowering their property values and destroying their only investment, and that the neighborhood was already a dumping ground. We were called irresponsible. One talked about a schizophrenic uncle who embarrassed the family by taking off his clothes in public.”

The Planning and Zoning Board rejected the project by a vote of 5–2. Now, belatedly, Pete began to meet with the neighbors. Emboldened by the board’s decision, the residents at those meetings lambasted the project, with as much vitriol as there had been at the March meeting, and as much pain for Pete. Logic, outside experts, and local political and civic support did not count for much at those gatherings. Finally, after several of those unhappy events, Pete withdrew the proposal and his organization went away to look for another site.

Looking back on these events, Pete saw his big mistake: his early neglect of the neighborhood residents. Yet Pete had reacted in a way that was human and understandable. He thought he had enough power and support to push his way through and he shuddered at

the prospect of subjecting himself to difficult, contentious, time-consuming meetings with people who did not share his vision.

From all the support he had lined up, he enjoyed, in his words, “a false sense of invulnerability. The voices I listened to said this is the right thing to do and the right place to do it.” He not only ignored the warning signals in February, but he also dismissed the arguments of the few members of his own board who had expressed reservations.

To survive and succeed in exercising leadership, you must work as closely with your opponents as you do with your supporters. Most of us cringe at spending time with and especially taking abuse from people who do not share our vision or passion. Too often we take the easy road, ignoring our opponents and concentrating on building an affirmative coalition. But rather than simply recognize your own anxiety and plow ahead, as Pete did, you need to read this anxiety both as a vulnerability on your part and as a signal about the threat you represent to the opposing factions. These are clues to the resistance you will face, made worse if you do not engage with your opposition.

Michael Pertchuk failed to understand this when he moved from an advocacy position on Capitol Hill to a policymaking and regulatory position as chair of the Federal Trade Commission (FTC).

Pertchuk had arrived at the FTC as something of a hero with the consumer activist community based on his work in the U.S. Senate as the chief counsel for the Senate Commerce Committee. On Capitol Hill, he innovated continuously, bringing new policies and programs at a rapid rate and seeing many of them enacted into law. He earned the complete confidence of Senator Warren Magnuson (D-WA), his chairman, who benefited enormously in political support, publicity, and prestige from Pertchuk’s popular consumer initiatives.

At the FTC, Pertchuk continued to see himself in an advocacy role. His consumer constituency expected that and wanted it. So he searched around for a new issue to champion. Soon he found one,

dubbed “KidVid”—the control of advertising on children’s television programs.

Recent studies had shown the impact on impressionable minds of the heavy dose of ads scheduled for the Saturday morning cartoon shows. Pertchuk moved ahead, proposing sweeping new regulations. He chose an issue and attacked it the same way he had done when he served on Capitol Hill.

In his congressional staff role, all Pertchuk had to do was count the votes. And he usually had the votes for whatever he put on the agenda. Moderate and liberal Democrats controlled the Congress at that time and they voted for popular, consumer-oriented laws with great enthusiasm. When he had enough votes to pass legislation, he moved ahead. He ignored people on the other side. He spent his time thinking up new ideas, not garnering support.

That strategy had worked well in the legislative branch, so he transferred it wholesale to his new role. He avoided any contact with the business community, whose products were being advertised. He knew they would undoubtedly reject his idea. He even steered clear of the television industry, which not only had a direct stake in the policy, but also were going to cover it and comment on it. “What could they add,” he must have reasoned, “except a lot of trouble.”

He was right that they would likely react with hostility. Leaving them out or bringing them in was not going to change that. But by leaving them out, Pertchuk helped doom KidVid himself. He lost contact with key, relevant opposition. Pertchuk’s proposed policy would choke off the manufacturers’ main channel for getting to their primary customers—the kids. The advertising community would lose the revenue from creating the ads. And of course network and cable television companies depended on advertising revenue for their profits. On KidVid, Pertchuk was dancing with all of these groups whether he faced them or not.

He careened forward, proposing an outright ban on advertising during children’s television programs. The consumer groups loved the idea and cheered him on. With his collusion, Pertchuk’s core



constituency pushed him further out on a limb than he ever should have gone.

The press and the business community, particularly, responded with the vehemence he had predicted. Respected people spoke out and said the legislation over-reached, that it went way beyond what the problem required. To many observers, a legal ban disregarded the rights of free speech and ignored the consequences on the future funding of children's programs. Pertchuk behaved as if he were still Magnuson's idea-generator, rather than the head of a regulatory agency. Even members of Congress who admired him had expected him to be more even-handed in this new role. With considerable fanfare, Congress dismissed Pertchuk's proposal without a serious examination. The FTC sustained damage to its credibility in the eyes of legislators and lawyers as well as businesspeople, who might have been sympathetic to another proposal but fought the whole issue because Pertchuk's plan went too far. Within a year, the children's television initiative died definitively. Pertchuk lost legitimacy and found himself on the downside of his tenure in the job.

People who oppose what you are trying to accomplish are usually those with the most to lose by your success. In contrast, your allies have the least to lose. For opponents to turn around will cost them dearly in terms of disloyalty to their own roots and constituency; for your allies to come along may cost nothing. For that reason, your opponents deserve more of your attention, as a matter of compassion, as well as a tactic of strategy and survival.

Keeping your opposition close connects you with your diagnostic job, too. If it is crucial to know where people are at, then the people most critical to understand are those likely to be most upset by your agenda.

While relationships with allies and opponents are essential, it's also true that the people who determine your success are often those in the middle, who resist your initiative merely because it will disrupt their lives and make their futures uncertain. Beyond the security of familiarity, they have little substantive stake in the status quo—but don't underestimate the power of doing what's familiar.

As you attend to your allies and opposition in advancing your issue, do not forget the uncommitted and wary people in the middle—the people you want to move. You need to ensure that their general resistance to change doesn't morph into a mobilization to push you aside. What follows are four steps you can take that are specifically focused on them.

### **Accept Responsibility for Your Piece of the Mess**

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When you belong to the organization or community that you are trying to lead, you are part of the problem. This is particularly true when you have been a member of the group for some time, as in a family. Taking the initiative to address the issue does not relieve you of your share of responsibility. If you have been in a senior role for a while and there's a problem, it is almost certain that you had some part in creating it and are part of the reason it has not yet been addressed. Even if you are new, or outside the organization, you need to identify those behaviors you practice or values you embody that could stifle the very change you want to advance. In short, you need to identify and accept responsibility for your contributions to the current situation, even as you try to move your people to a different, better place.

In our teaching, training, and consulting, we often ask people to write or deliver orally a short version of a leadership challenge they are currently facing in their professional, personal, or civic lives. Over the years, we have read and heard literally thousands of such challenges. Most often in the first iteration of the story the author is nowhere to be found. The storyteller implicitly says, "I have no options. If only other people would shape up, I could make progress here."

When you are too quick to lay blame on others, whether inside or outside the community, you create risks for yourself. Obviously, you risk misdiagnosing the situation. But you also risk making yourself a target by denying that you are part of the problem and

that you, too, need to change. After all, if you are pointing your finger at them, pushing them to do something they don't want to do, the easiest option for them is to get rid of you. The dynamic becomes you versus them. But if you are with them, facing the problem together and each accepting some share of responsibility for it, then you are not as vulnerable to attack.

Leslie Wexner, founder and CEO of The Limited, faced that challenge in the early 1990s, when his company began "spinning," as he recalls. "We were working hard but going nowhere." He had taken the corporation to great heights, going from four employees to 175,000, but his strategy was no longer producing growth.<sup>2</sup> After a terrific fourth quarter in 1992, the company experienced two down years.

Wexner hired a consultant, a Harvard Business School professor named Len Schlesinger, to take a very deep look at the company's problems and to assess what it would take to turn things around.

The consultant returned with three messages. First, strengthen the brands; that made sense to Wexner. Second, Wexner would have to fire a significant portion of the corporation's workforce, perhaps as many as one third of his people. But Wexner had run the company as a family since its inception in 1963. He had never been in the habit of firing people. He thought this part heretical.

The third message cut even deeper. Schlesinger told Wexner that he was part of the problem. The company could make a transition with him or without him, the consultant said, but if the former, he would have to take responsibility. He would have to make substantial, significant changes in his own beliefs and behaviors. Without that, the remaining employees, the shareholders, and the company's corporate board would be able to successfully resist the needed transformation.

Wexner found the message difficult to hear. He had started the company in 1963 with a loan of \$5,000 from his aunt. That was enough to open one women's clothing store in a suburban shopping mall in Columbus, Ohio. His goal then was to earn a salary of \$15,000 a year and have enough left over to buy a new car every few

years. First-year sales were \$165,000. From that point on, he had enjoyed nearly thirty years of significant annual growth, and his one store had burgeoned into a retailing colossus. He was accustomed to accepting plaudits for success, not for throwing overboard values and practices that had been near the heart of his self-image. Besides, he was fifty-eight years old, and questioned his capacity to admit error and to mend his own ways.

Wexner uses a metaphor to describe the feeling: "I was an athlete trained to be a baseball player. And one day someone taps me on the shoulder and says 'football.' And I say, 'No, I'm a baseball player.' And he says, 'football.' And I say, 'I don't know how to play football. I'm not 6'4" and I don't weigh 300 pounds.' But if no one values baseball anymore, the baseball player will be out of business. So, I looked into the mirror and said, 'Schlemiel, nobody wants to watch baseball. Make the transformation to football.'"

He believed in Schlesinger and so, painfully, he began to accept his piece of the mess. He committed himself to a personal as well as a corporate makeover. He hired an executive coach to help him learn new ways and to stay on track. People in the company as well as shareholders and lenders noticed. They saw the changes he was making and began to understand that he was on their side, facing up to difficult issues, taking responsibility and risks, and facing an uncertain future. He embodied his message, and thereby avoided becoming a target for attack for most of the long turnaround period. His personal commitment helped to sway the vast uncommitted.

Wexner changed, survived, and thrived. So did The Limited. Between 1996 and 2001, the corporation increased sales by 50 percent and its operating margin by 4 percent, with 1,000 fewer stores, and a reduced workforce of 124,000 employees.

### **Acknowledge Their Loss**

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Remember that when you ask people to do adaptive work, you are asking a lot. You may be asking them to choose between two values,

both of which are important to the way they understand themselves. Any person who has been divorced with children understands how difficult this is. Most of us shudder at the prospect of having to choose between our own happiness and what's best for our children. We might try to convince ourselves that we are serving the children's happiness by ending a dysfunctional or unsatisfying marriage, but usually the children would not agree and neither would many of the experts.

You may be asking people to close the distance between their espoused values and their actual behavior. Martin Luther King, Jr., challenged Americans in that way during the civil rights movement. The abhorrent treatment he and his allies received in marches and demonstrations dramatized the gap between the traditional American values of freedom, fairness, and tolerance and the reality of life for African-Americans. He forced many of us, self-satisfied that we were good people living in a good country, to come face-to-face with the gulf between our values and behavior; once we did that, we had to act. The pain of ignoring our own hypocrisy hurt us more than giving up the status quo. The country changed.

Of course, this takes time. Confronting the gaps between our values and behavior—the internal contradictions in our lives and communities—requires going through a period of loss. Adaptive work often demands some disloyalty to our roots. To tell someone that he should stop being prejudiced is really to tell him that some of the lessons of his loving grandfather were wrong. To tell a Christian missionary that, in the name of love, she may be doing damage to a native community, calls into question the meaning of mission itself. To suggest to her that, in an age of global interdependence, we can no longer afford to have religious communities compete for divine truth and souls, calls into question the interpretation of scripture lovingly bestowed upon her by family and teachers.

Asking people to leave behind something they have lived with for years or for generations practically invites them to get rid of you. Sometimes leaders are taken out simply because they do not

appreciate the sacrifice they are asking from others. To them, the change does not seem like much of a sacrifice, so they have difficulty imagining that it seems that way to others. Yet the status quo may not look so terrible to those immersed in it, and may look pretty good when compared to a future that is unknown. Exercising leadership involves helping organizations and communities figure out what, and whom, they are willing to let go. Of all the values honored by the community, which of them can be sacrificed in the interest of progress?

People are willing to make sacrifices if they see the reason why. Indeed, boys go to war with the blessings of their parents to protect values even more precious than life itself. So it becomes critically important to communicate, in every way possible, the reason to sacrifice—why people need to sustain losses and reconstruct their loyalties. People need to know that the stakes are worth it.

But beyond clarifying the values at stake and the greater purposes worth the pain, you also need to name and acknowledge the loss itself. It's not enough to point to a hopeful future. People need to know that you know what you are asking them to give up on the way to creating a better future. Make explicit your realization that the change you are asking them to make is difficult, and that what you are asking them to give up has real value. Grieve with them, and memorialize the loss. This might be done with a series of simple statements, but often requires something more tangible and public to convince people that you truly understand.

When the terrorists attacked on September 11, 2001, they generated extraordinary disruption and loss to the United States in general and to New York City in particular. People in New York were forced, not only to grieve losses, but to face a new reality: their own vulnerability. Mayor Rudolph Giuliani seemed immediately to grasp people's struggle to adapt. He spoke clearly, passionately, and repeatedly, giving voice to people's pain. Over and over again, he urged people to resume their pre-September 11 activities, to go to work, use the city's parks, and patronize restaurants and theatres, even though everyone's natural response was to hunker down and

stay out of harm's way. But as people began to heed his advice, he also let them know that he realized what he was asking them to do. He asked them to give up their heightened need to maintain a sense of their own personal security on behalf of larger values: not giving in to the terrorists, and rebuilding New York City. Giuliani went even further. He modeled the behavior he was asking of others by putting himself in harm's way, going to Ground Zero over and over again, barely escaping being injured himself on September 11 when the towers fell. Sometimes, modeling the behavior you are asking of others presents itself as an even more powerful way than just words to acknowledge their loss.

### **Model the Behavior**

Avram was the CEO of a highly successful chemical factory in Israel. One day an explosion occurred on the line, tragically killing two of his employees. He swung into action, taking care of the families of the deceased workers and investigating the cause of the disaster. He quickly pinpointed the source of the problem and took steps to ensure that it could not happen again.

But whatever he did seemed not enough. Many of his best workers feared coming back to work. Many who did return performed ineffectively because they were tentative and frightened. They had lost confidence in the safety of the factory, and nothing he said reassured them sufficiently to return to the location where their colleagues had died or to work at their previous level of productivity. Their trauma was palpable, and productivity declined. The future of the company looked very much in doubt.

Reluctantly, Avram came to a decision. He resigned as CEO and took a job on the line, right at the spot where the explosion had taken place. Slowly, workers began to return and production began to creep upward. The company eventually turned a corner. Ten years later, it had become one of the largest in Israel, much more profitable than it had been before the accident.

The CEO had realized that he was asking his employees to do something that looked safe to him but dangerous to them. Because he and they saw the reality differently, it was hard at first for him to appreciate the magnitude of his request. A trained scientist with an equity interest in the company, he was convinced that he had made the plant safe. But no amount of logic or evidence would have assuaged the employees' fears. He had to let them know that he appreciated the risk he was asking them to take, even if he believed their concerns were unwarranted. He had to acknowledge the loss he was asking them to accept, in this case the loss of a sense of personal safety. Because their fears were so deep, verbal acknowledgment would not suffice. He had to model the behavior.

In 1972, soon after leaving his position as the young managing editor of the *Washington Post* and unsure he had a future in journalism, a demoralized Gene Patterson received a call from Nelson Poynter, the owner of the *St. Petersburg Times*.<sup>3</sup> Poynter offered him the job of editor, with the assumption that he would succeed Poynter as the person responsible for the entire company, which included several other media holdings. Patterson and Poynter had been acquainted with each other for many years; they met and talked at newspaper conventions, and respected each other's work. Patterson was interested in running a newspaper and had been a longtime reader and admirer of the *Times*. Poynter was looking for someone to take his already-respected newspaper to another level. He wanted it to be not only a good regional newspaper, but also a beacon of the best in journalism and a force for making St. Petersburg, Florida, what he termed "the best place in the world to live." Both editors wanted the newspaper to enhance its reputation for good writing by becoming fearless, hard-hitting, and more independent of the city's established elite, becoming more of a voice for the powerless than the powerful.

Poynter and Patterson knew that to achieve these aims, they would have to generate significant value-laden changes in the way reporters and other *Times* employees thought about themselves and their roles, as well as in their readers' views of the newspaper.



There could be no sacred cows. Bad news about the community would not be soft-pedaled. Advertisers would be subject to as much journalistic scrutiny as any other organization that wielded power and influence. Investigations would be a steady part of the newspaper's offerings, and prominent organizations and individuals would not be spared if they deserved to be criticized. The news and editorial staffs would not hesitate to use the power of the newspaper to promote progress as they saw it. This meant reporters and others who worked at the newspaper would be subject to intense pressure and controversy.

On July 4, 1976, four years after Patterson arrived, he went to a party at the home of his good friend Wilbur Landrey, the foreign editor of the *Times*. On his way home, Patterson pulled up to a red light and scraped the car next to him. A policeman was called to the scene and charged Patterson with driving under the influence of alcohol. Patterson called Bob Haiman, the veteran *Times* newsman who had just been appointed executive editor, and insisted that a story be run on his arrest.

As Haiman recalls the conversation, he tried to talk Patterson out of it.<sup>4</sup> But Patterson was adamant. "We have to have a story," Haiman remembers him saying. "I said, 'Well OK, Gene.' Then he said, 'Have a reporter get the details from the Police Department. I want you to put this story on page 1.' I argued with him again. 'Most DUI arrests not involving injuries are not even reported any more. Even if it was the city manager we wouldn't do a very big story at all and it would probably be inside the local section.' Patterson was willing to let me talk but he was not about to have his mind changed on this."

Patterson knew that if he wanted the folks who worked for the paper to emulate and adapt to the highest journalistic standards and aspirations, then he and Poynter would have to display those standards, even when it hurt. They both knew that there would be resistance to the changed standards. They also recognized that Patterson—the new editor and an outsider—would be more vulnerable to negative counter-reactions from employees and resistance

from community leaders than Poynter, who was increasingly detached from day-to-day operations. The drunk-driving situation gave Patterson the chance to model the behavior he expected of others. He knew this was a unique opportunity in which his commitments would be tested. No matter how embarrassing and uncomfortable, Patterson needed to ensure that the paper treated him the way it would treat any equally prominent person. Otherwise, he and Poynter would have had no hope of moving the organization and the community to embrace a different kind of journalism, journalism that was going to cause some discomfort and controversy in a city that had grown accustomed to putting the best face on its news. Patterson's arrest was on page 1.

The saga quickly became part of the folklore at the *Times* and in St. Petersburg, and remains so to this day. By all accounts Patterson's insistence on the coverage made it easier for people at the newspaper and in the community to move forward into a more honest and vital, albeit contentious, relationship.

The modeling in these cases was more than symbolic. People were taking real risks in doing what they were asking others to do. But even symbolic modeling can have substantial impact. When Lee Iacocca reduced his own salary to \$1 during Chrysler's troubles, no one worried that Iacocca would go without dinner. But the fact that he was willing to make a personal economic sacrifice helped motivate employees to do likewise as part of the company's turnaround plan.

### **Accept Casualties**

An adaptive change that is beneficial to the organization as a whole may clearly and tangibly hurt some of those who had benefited from the world being left behind. Wexner's change process at The Limited left some people bruised, their once-secure careers now very much uncertain. Few people enjoy hurting or making life difficult for old friends and colleagues.

If people simply cannot adapt, the reality is that they will be left behind. They become casualties. This is virtually inevitable when organizations and communities go through significant change. Some people simply cannot or will not go along. You have to choose between keeping them and making progress. For people who find taking casualties extremely painful, almost too painful to endure, this part of leadership presents a special dilemma. But it often goes with the territory.

Accepting casualties signals your commitment. If you signal that you are unwilling to take casualties, you present an invitation to the people who are uncommitted to push your perspectives aside. Without the pinch of reality, why should they make sacrifices and change their ways of doing business? Your ability to accept the harsh reality of losses sends a clear message about your courage and commitment to seeing the adaptive challenge through.

A few years ago Marty consulted with a company that did technical work for the defense industry. The organization had enjoyed a long and successful run, but the fall of the Berlin Wall in 1989 ushered in a new era. The Cold War was over. The new CEO realized that the competition for contracts was getting tougher, that they could no longer rely on their reputation and have the work come to them. He began to think about changing the business, becoming more aggressive and adding to their product line. For many of the long-term and most respected employees, this was hard to accept.

At the CEO's direction, the senior management team went off to a two-day retreat to chart their future direction. Most of them came around, accepting the harsh reality that in order to survive they had to give up some of what they knew and loved. At the end of the retreat, the CEO held a climactic meeting. He wanted an endorsement of the new plan, and he asked each of the participants whether they were with the program. One by one, they each said yes, some with great reluctance. The number-three person in the organization sat near the end of the row. He had worked in the organization longer than anyone else present. The room was quiet as everyone waited. He said nothing. Slowly he got up and left the

room. He packed his bags, went back and cleaned out his office, and left his letter of resignation on the CEO's desk. He became a casualty, and the willingness of the CEO to accept his resignation demonstrated to the rest of his team his commitment to change.

People seeking to exercise leadership can be thwarted because, in their unwillingness to take casualties, they give people mixed signals. Surely we would all prefer to bring everyone along, and we admirably hold up this ideal. Unfortunately, casualties are often a necessary by-product of adaptive work.

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The lone warrior myth of leadership is a sure route to heroic suicide. Though you may feel alone at times with either creative ideas or the burden of final decision-making authority, psychological attachments to operating solo will get you into trouble. You need partners. Nobody is smart enough or fast enough to engage alone the political complexity of an organization or community when it is facing and reacting to adaptive pressures.

Relating to people is central to leading and staying alive. If you are not naturally a political person, then find partners who have that ability to be intensely conscious of the importance of relationships in getting challenging work done. Let them help you develop allies. Then, beyond developing your base of support, let them help you relate to your opposition, those people who feel that they have the most to lose with your initiative. You need to be close to them to know what they are thinking and feeling, and to demonstrate that you are aware of their difficulty. Moreover, your efforts to gain trust must extend beyond your allies and opposition, to those folks who are uncommitted. You will have to find appropriate ways to own up to your piece of the mess and acknowledge the risks and losses people may have to sustain. Sometimes you can demonstrate your awareness by modeling the risk or the loss itself. But sometimes your commitments will be tested by your willingness to let people go. Without the heart to engage in sometimes costly conflict you can lose the whole organization.