

Thought Leaders II

Visionary Leadership: Courageous Behavior Yields Big Payoffs



When Nick Craig works with executives on leadership, he begins with identifying their "True North." Craig defines this concept in terms of knowing yourself, your purpose, and your vision. "Leadership is highly personal," Craig says. "It begins with the self. If you're not sure about who you are, if you haven't defined your unique purpose and vision, why should anyone follow you — especially during these times?" President of the Authentic Leadership Institute and co-author with Bill George of *Finding Your True North*, Craig is slated to lead an authentic leadership session in the

June running of Wharton's *Advanced Management Program*.

Craig's work involves having executives refine and state their unique purpose and vision. "The answers are typically pretty vague to begin with," he recalls. "One senior banking executive in Wharton's *High-Potential Leaders* program made a few uncertain attempts, beginning with a standard PowerPoint slide that he entitled, 'Leading my team.' There wasn't much there in terms of articulating purpose or vision," Craig says.

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—**Nick Craig**, President of the Authentic Leadership Institute; Co-author, *Finding Your True North*; Faculty member, *Advanced Management Program*, *High Potential Leaders Program*

The participant grew up in a small Nigerian village without running water or electricity. Craig knew there had to be a powerful purpose and vision at work. Through the process of working with the banker to help him better define what he wanted to do, a clear and simple purpose began to emerge: to bring sustained prosperity to everyone he touches. Out of this purpose emerged a vision for him and his organization: "To change the way banking is done in Nigeria in order to bring sustained prosperity to those who most need it." If your vision isn't that simple and powerful, Craig advises, it needs to be.

Craig's work with thousands of executives over the last 20 years and his research on Authentic Leadership with Bill George have convinced him that there is one prevailing key to having a good vision. "Without a clear and compelling purpose, most visions end up serving the ego of the leader. All we have to do is look in the paper these days to see the impact of that choice. A vision needs to connect to the individual's untapped human needs and emotions. If it doesn't arise from something deeper than a recent idea in *Business Week*, it's not going to survive in the stormy seas of the current environment."

With Vision Comes Courage

When Arthur Guinness decided in 1759 to open a brewery, he signed a lease for a four-acre site in downtown Dublin. The terms? Forty-five pounds a year for nine thousand years. "Visionary leaders are by definition focused on tomorrow," says Craig. In the *High-Potential Leaders* program, Craig points out that leadership requires the courage to act on your vision with steps that are counter to the prevailing mindset. "When you are focused on the future, you have the courage to make choices. That isn't to say that conviction doesn't come with some sleepless nights. But the word courage comes from the French *cour*, meaning head and heart. Visionary leaders use both."

Focusing solely on tactical expediency is just one of the strategic errors that can result from a lack of vision. Chrysler Corporation made its money on SUVs and minivans. This narrow focus meant that there was a failure of foresight in anticipating a market shift as gas prices rose and the economy weakened. This shortsighted vision and lack of courage has led to an unfortunate, but predictable outcome: bankruptcy court.

On the other hand, the CEO of Ford, Alan Mulally, is now seen as a true visionary, Craig says. "When Mulally became CEO, he realized that Ford would have to raise \$20 billion in order to finance the needed changes on their assembly lines. He wanted to ensure that Ford would be ready to quickly adjust when it was time to produce different cars. At the time, the decision was ridiculed by the establishment. But Mulally held firm to his vision and was able to raise the funds quickly in a time of easy money. Today Ford isn't asking for a bailout. In fact, it's in the best shape of the three U.S. automakers and best positioned to weather the economic crisis."

Intrinsic versus Extrinsic Motivations

Another focus in Craig's sessions is upon what motivates people. Everyone has both extrinsic (power, money, status) and intrinsic (finding meaning, growth, learning, etc.) motivations, Craig asserts. Much of what managers have relied on to motivate people in the last eight years has been pulling the extrinsic lever of, for example, more money, resources, and stock.

"In the current economic climate, most of the extrinsic levers are now gone, and who knows if and when they will come back," Craig remarks. "The only thing left are people's intrinsic motivations. This is the key factor in shifting from being a good manager to becoming a great leader. A clear purpose and vision are the key factors for intrinsic motivations. To be a visionary leader, you must be focused on the future and able to communicate a powerful message that appeals to the current challenges of your employees, Craig advises. "In a down economy, leaders who have found their 'True North' ask, 'How can we use this crisis to make the changes that we didn't have the courage to make five years ago?' They are willing to make the difficult decisions that in hindsight save the day."

Nick Craig
President
Authentic Leadership Institute
978-772-7268
ncraig@authleadership.com
www.authleadership.com