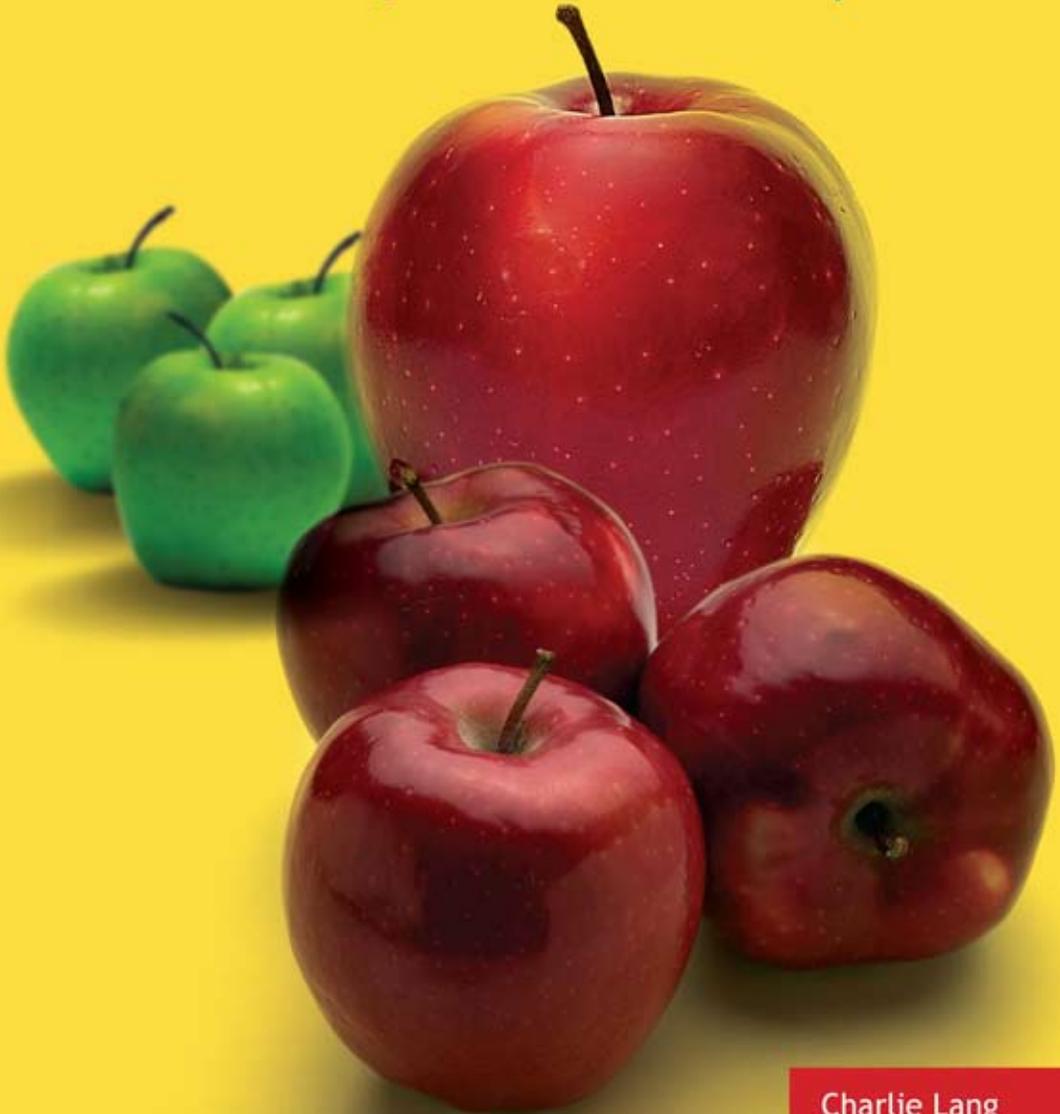


Excerpt  
Corporate Success  
Culture

# The Groupness Factor

How to Achieve a **Corporate Success Culture**  
through **First-Class Leadership**



Charlie Lang

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How to Achieve a **Corporate Success Culture**  
through **First-Class Leadership**

Progress-U Limited

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## How it happened

In Spring 2004 while visiting my friend Christine Klitsie, who owns an extensive book collection, I saw a particular book that caught my attention. It was "The Nurture Assumption: Why Children Turn Out the Way They Do" by Judith Rich Harris.

My daughter was 7 years old at the time so naturally, I was curious if the book had anything important to say about raising children. I started reading and after just a few pages, I realized that I *HAD to* read the whole book.

Without question, the book was fascinating for me as a father. However, something quite interesting happened while I was reading: it suddenly hit me that the concept of "groupness" described in the book was not only relevant for children and adolescents, but for adult groups as well. From that moment of realization, I started seeing group dynamics and leadership from a different perspective.

That moment came at the perfect time – as an executive coach focused on working with leaders, I had been previously searching for concepts that went beyond classic leadership teaching. Never would I have imagined that I would find what I was searching for in a child psychology book!

When I finally put the book down, I started to search for literature on the groupness concept related to leadership and organizational groups. To my surprise, I couldn't find published material that could provide me with deeper insights or directly confirm my findings on groupness. That was the first time I contemplated writing a book on this concept.

In Autumn 2004, I finally took the plunge. I came across relevant literature, which did not directly deal with the groupness factor, but confirmed my conclusions. Particularly useful for me was the book

“Leadership and Talent in Asia” by Mick Bennett and Andrew Bell. This book, based on the extensive Best Employers in Asia research carried out by Hewitt Associates, provided me with the necessary empirical evidence to validate my thoughts.

Finally, in December 2004, I started writing this book. I decided to write it in the shortest possible time, knowing that I usually function well when I push myself to meet tight deadlines. By the end of February 2005, I finished writing the first draft.

My wonderful editor Anna de Guzman took time from her busy schedule to edit my manuscript over and over again. She was certainly a key contributor in making this book a reality.

After completing the first draft, I enlisted a number of friends and colleagues who were willing to spend time, not only to read my manuscript, but also to give me valuable comments. Special thanks to:

- My alliance partner John Bower for his wisdom and for challenging my logic;
- My dear friends Christine Klitsie, Eberhard Froescher, Siti Hinchliffe and Doreen Low who went into great detail to highlight what could be improved; and
- My associates Susie Li and Loretta Parnell who kept encouraging me and pointed out areas for fine-tuning.

When I worked on the section on employee participation (Chapter 5), I remembered a recent speech of Mark Bergt, leader of cultural transformation at Jebsen & Co. Ltd. I gave him a call and asked whether his company would grant me permission to include a description of an exciting project he initiated some time ago. I’m grateful that the management of Jebsen allowed me to use that project as a wonderful illustration of what is possible.

Based on all the valuable input I received, I created a second draft, which was completed by the end of April 2005. I was lucky enough to get four leadership experts to invest their time in reviewing my manuscript. In spite of their tight schedules, they provided me with their feed-forward within just a few weeks. On the back cover of this book, you will find the comments of:

- Top US Leadership Coach Marshall Goldsmith, whose endorsement is very dear to me;
- One of the few authors in Hong Kong who specialize in leadership, Mick Bennett;
- Roz Usheroff, who has vast experience in working with leaders in North America; and
- Hong Kong's coaching pioneer Angela Spaxman, who motivated me to become an executive coach and, over the years, has become my colleague and friend.

The encouraging comments of these specialists gave me the confidence to publish my work. Shonee Mirchandani, the owner of Bookazine in Hong Kong, was my infinite source of knowledge on the publishing process and I'm grateful for her openness, support and friendly advice.

This is my first book project and it was indeed an exciting experience, much less frustrating than I thought – in fact, quite enjoyable. If you like what you read, I'd be happy if you recommended this book to anyone you feel could benefit from it. Consider it your personal contribution towards improving leadership in the world. This book is a gigantic step towards my mission of advancing first-class leadership to as many people as possible – a big dream that I hope will bring us closer to the ultimate goal: a better life for everybody.

**Leaders aren't born, they are made.  
And they are made just like anything else,  
through hard work. And that's the price  
we'll have to pay to achieve that goal,  
or any goal.**

*- Vincent Lombardi*

## Prologue

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### Have you ever wondered?

The development of the human race is marked by a continuously increasing level of awareness. Certainly, we have already reached a remarkable degree of awareness. However, many questions still remain unanswered; many wonders still exist. Millions of curious people still seek answers for a better understanding of the world.

I, too, wondered about many things, particularly in my field of interest, leadership. I wrote this book to share how I was able to answer many pressing questions I encountered in my career – through the discovery of an important factor found in many aspects of life, one that most people are unaware of. I call it **the groupness factor**.

The groupness factor gave me answers to questions such as:

- What makes some leaders more successful than others?
- How can former friends kill each other in a civil war?
- What makes people stay in an organization despite better opportunities elsewhere?

Let me show you how the groupness factor is particularly relevant and powerful in leadership. You will learn how you can become a first-class leader by making appropriate use of this concept.

I will take you on a journey through the evolution of the human race, as it is necessary to understand where we came from to fully embrace the groupness factor. On this trip, you will learn how particularly persuasive leaders perhaps unconsciously used this factor.

Throughout my 13-year corporate career, I learned the power of true leadership the hard way, that is, with not much formal education and training. I eventually learned what works and what doesn't, but

often could not fully understand why. It was only after I started my executive coaching business that I discovered the concept of groupness in the excellent book "The Nurture Assumption" by Judith Rich Harris.<sup>1</sup> This revolutionary book about child psychology disproves the nurture assumption – the assumption that the outcome of a person as an adult is largely influenced by the rearing style of his caretakers. Harris proposes instead the so-called "group socialization theory" in which the concept of groupness is an important factor.

This opened my eyes to a whole new perspective. All of a sudden, answers to the above questions became obvious. I realized that the groupness factor is not only relevant to child development, but to leadership as well.

Although I will focus on how to apply this concept to corporate leadership, the principles described in this book are applicable to any kind of leadership and should be useful for countless situations you may encounter in your journey towards first-class leadership.

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## Introduction

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### The Importance of Leadership

Think of all the people who have been your leaders at some point. Try to remember their leadership style and the way they interacted with people. Do you think of them as great, average or downright lousy leaders?

I recently asked a number of people to do this exercise because I wanted to know whether my perception was unique or mainstream. Unfortunately, I found that many shared my perception: there are very few great leaders today – ineffective leaders truly abound.

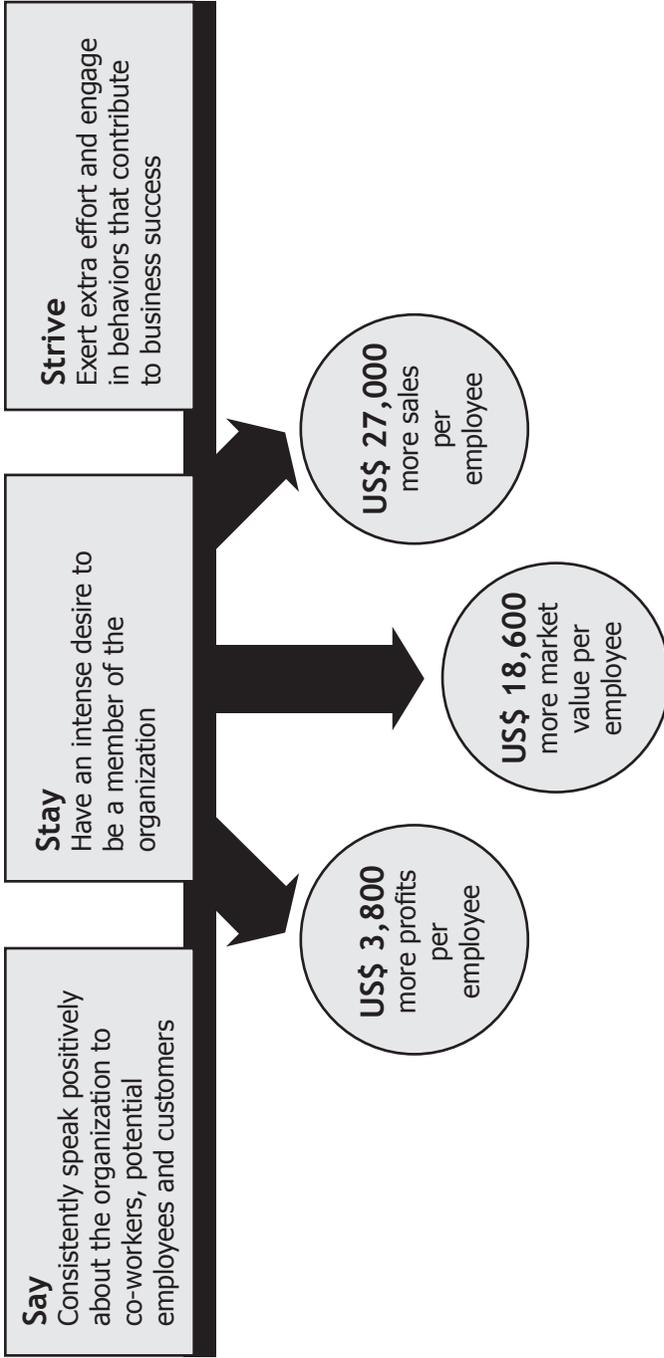
However, when asked about great doctors, teachers or other professionals, people can usually mention many names. What is the reason for this discrepancy? My explanation is simple: one can avail of formal training for most professions, but there is hardly any formal education for leaders.

Think about it – for the most important job in a company, we engage people with no formal education for the position. We just believe, or at least hope, that they will have a natural flair for leadership. There are very few companies that actually prepare a person for leadership positions, and the programs those companies have in place are often too general and not focused enough on the specific needs of their possible leaders.

If it is a known fact that the required number of leaders drastically outweighs the number of “born leaders”, why do so many top managers resist doing anything considerable about the situation? Here are three possible reasons:

- 1) They think that things are OK the way they are.

**Figure 1.** The Power of Engaged Employees<sup>1</sup>



- 2) They think that it is sufficient for the CEO to be a great leader and the rest should just follow (this way of thinking is already an indicator of poor leadership).
- 3) They are aware of the problem but don't know how to fix it, or they are not able to measure the cost of poor leadership, and are thus unable to calculate the return on investment (ROI) for leadership development.

Hewitt Associates found that a clear indicator of good or poor leadership in an organization is the level of engagement of the employees.<sup>1</sup> Furthermore, they found clear correlations between engagement and key indicators of financial success (Figure 1).

This means, via employee engagement, it is possible to measure the leadership quality of an organization and calculate an ROI for leadership development initiatives.

Today, there is little doubt that individual executive coaching is one of the most effective interventions for leadership development. The Manchester survey of 140 companies showed 9 in 10 executives believe coaching to be worth their time and dollars. The average return was more than \$5 for each \$1 spent.<sup>2</sup>

Leadership quality may be the most important success factor for any organization. Embark on this journey to discover some of the secrets of first-class leadership and how the groupness factor can greatly assist leaders in creating an organizational success culture.

- 
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## Chapter 1

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### What is Groupness?

#### Where do we come from?

To fully understand the art of true leadership, we must examine the concept of the groupness factor. Understanding our evolutionary roots will help you wholeheartedly embrace this concept.

Archeological evidence proves that waging war and slaughtering enemies were things the human race knew how to do long before leaving written records was possible. The evolution of the human race started approximately 6 million years ago and during most of that time, we lived in much the same way. According to evolutionary biologist Jared Diamond, "War between groups has been part of our human and pre-human heritage for millions of years."<sup>1</sup> This view is also shared by primatologist Richard Wrangham.<sup>2</sup> He argues that similar to chimpanzees, humans used to live in communities defended by the males who were born there. And in both species – humans and chimps – the male coalitions not only defended their territory, but also launched offensive attacks on neighboring communities.

The original reasons for offensive attacks might have been a desire for more territory or more females. However, once the attacks started, they became self-perpetuating and the original reasons for the attacks became immaterial. There was a new and better motive: let's kill them before they kill us. Judith Rich Harris explains it further:<sup>3</sup>

Six million years of evolution divides us from that chimpanzee-like ancestors, and all during that six million years - all but the last little bit of it - we lived in much the same way. We lived in smallish communities composed of our close relatives (in the case of males) or our mate's

relatives (in the case of females). We depended on the other members of our group for protection; we weren't designed to live alone. When meat was available - and our appetite for meat soon overtook our appetite for veggies - it was probably shared among the members of the group. And all during those six million years we fought with our neighbors. Successful communities increased in size, split in two, and sooner or later the two halves would go to war against each other. Sometimes one succeeded in wiping out the other. 'Of all our human hallmarks,' says Jared Diamond, 'the one that has been derived most straightforwardly from animal precursors is genocide.'

But we are not only killer apes: we are nice guys, too. Darwin pointed out that 'A savage will risk his own life to save that of a member of the same community.' If the savage risks his life and loses it, he has suddenly become, in Darwinian terms, unfit; therefore an explanation of his behavior is called for. The explanation is that the man who gives up his life to save his group may thereby be preserving the lives of his brothers, sisters, and children - people with whom he shares 50 percent of his genes. If we define fitness in terms of successfulness of individuals in living to a ripe old age, altruism toward one's close relatives makes sense.

Clearly, we are not perfect altruists, any more than we are perfect killer apes. In fact, we are a little of each, and that is why writers like Ashley Montagu can see us as flower children [pacifistic hippies, the author] while writers like Richard Wrangham see us as born to kill. It all depends whether you look at our behavior toward the members of our own group or our behavior toward the members of other groups. We are born to be nice to our

groupmates because for millions of years our lives and the lives of our children depended on them. And we are born to be hostile toward the members of other groups, because six million years of history taught us to beware of them.

Of course, it wasn't always harmonious within groups. During times of peace, there was competition within the group for food or desirable mates. However, whether the group was experiencing good or bad times, cooperation was always present, contributing to long-term survival.

You may wonder, "Isn't that all in the past and irrelevant to modern civilization?"

To answer that, let's look at human babies today. According to ethnologist Irenaeus Eibl-Eibesfeldt, human babies in all societies start to become afraid of strangers at approximately 6 months of age.<sup>4</sup> Why is that so? Our evolution gives us some explanations: By this age, in a typical hunter-gatherer or small village society, babies have usually had the chance to "meet" all members of their community. Any stranger, therefore, poses a threat to the baby's safety. The baby may wonder what the stranger is about to do to him, and may fear for his life. So the baby starts looking for clues from his mother. If the mother seems to be OK with that stranger, the baby is reassured. According to Eibl-Eibesfeldt, this so-called "childhood xenophobia" is the first sign of a built-in predisposition to see the world in terms of "us" and "them."<sup>5</sup>

So we can see already in babies that a sense of groupness develops. Before exploring today's relevance of the groupness factor in leadership, let's have a closer look at how groups developed among our ancestors.

## **The inclination to form groups**

In early hunter-gatherer societies, groups of humans were generally split into two daughter groups based on lines of prior association. The proverb "birds of a feather flock together" reflects this tendency. Of course, there was always a number of people who had relatives in both groups and were therefore forced to make a decision about which group to join. People tended to join the group with more of their close relatives and friends, or the group with which they had the most in common.

As a result, the two daughter groups eventually exhibited behavioral or physical differences. When hostility developed between two daughter groups, a process of assimilation and differentiation occurred. To make each group as distinct as possible, similarities within a group (assimilation) and differences from other groups (differentiation) were exaggerated. In effect, the groups developed different customs and standards of beauty. They adopted different appearances to distinguish friend from foe. In some cases, they even developed different languages or dialects.

According to Eibl-Eibesfeldt:<sup>6</sup>

Humans show a strong inclination to form such subgroups which eventually distinguish themselves from the others by dialect and other subgroup characteristics and go on to form new cultures .... To live in groups which demarcate themselves from others is a basic feature of human nature.

Some might argue that only babies or older societies have this kind of group instinct and that educated and civilized adults are more in control and immune to such instincts. However, there is more than enough evidence to show that this assumption is incorrect.

Our natural inclination towards groupness is clearly illustrated by the Stanford Prison Experiment (visit [www.prisonexp.org](http://www.prisonexp.org) for a detailed description of this experiment), carried out in 1971 at Stanford University. The experiment's aim was to study the effects of placing 'regular' people in an artificial situation and randomly assigning them to be either a prisoner or a guard. The 24 students chosen out of 70 volunteers were thoroughly tested to assure that they had no psychological problems, medical disabilities, or a history of crime or drug abuse. The experiment was supposed to last for 2 weeks.

However, the researchers were forced to end the experiment prematurely. The participants grew into their roles within a matter of days and started to believe that they were actually either prisoners or guards – and behaved accordingly. The prisoners and the guards almost instantly formed very distinct cultures.

I ended the study prematurely for two reasons. First, we had learned through videotapes that the guards were escalating their abuse of prisoners in the middle of the night when they thought no researchers were watching and the experiment was 'off.'

And so, after only six days, our planned two-week prison simulation was called off.

The processes of differentiation from the other group and assimilation within one's own group became extremely obvious in the experiment.

Similar (some less dramatic) experiments have been carried out over the past decades, empirically proving that our primary instincts are still very much present up to adulthood. Famous examples are the Robbers Cave Experiment<sup>7</sup> and the Milgram Experiment.<sup>8</sup>

## **Groupness today**

If you've ever been to a party in a multicultural city, like New York or Hong Kong, you've probably observed that small groups usually form throughout the night. Why do people gather in subgroups and stay together for a while before moving on to meet other people? Because they find they have something in common. Perhaps they already know each other, discover that they are all of French origin, or maybe are all interested in golf.

A group consists of at least three people. A sense of groupness emerges once people find similarities among group members. Like in the party example, we've all experienced joining a group, listening to the conversation, and within a few minutes – or seconds! – deciding whether we want to belong to this group or not. If we want to belong to it, we will tune in to the topic and perhaps start to contribute to the conversation to gain access to this group. Also within minutes, we will figure out whether the group wants to let us in or not. Interestingly, even if the group does not grant us access, we may still identify ourselves with this group and thus become what I call a "remote group member." A remote group member is not accepted by the group but does not stop mentally associating himself with it. This member will also undergo a process of assimilation.

When I was an adolescent, one of my friends, a son of well-to-do parents, was part of a group of boys who were also from rich families. My parents, on the other hand, were hardworking apple farmers and financially quite well-off, but considered themselves part of the middle class. The status of my friend's group was reflected in the way he and his friends behaved, the kind of car they drove, the way they dressed, and so on. As a consequence, I was not considered by this group to be one of them. However, because I wanted to belong to this group, I started to behave like them. I became conscious of how they dressed, talked, etc.,

and tried to adjust accordingly. By doing so, I was tolerated to an extent, enough to let me participate in some of their activities, but I clearly got the message that I was not one of them.

According to the group socialization theory, a person may not be able to influence a group, but the group can still influence the person.<sup>9</sup> That was exactly what happened in my case.

Another interesting aspect that can be drawn from my example is the distinction between personal relationships between two people (dyadic relationships) and groups of three or more people. We tend to believe that a close dyadic relationship is more important to us than a group we strongly identify with.

For instance, my friend behaved very differently when we were together and when we were in the group. When we were alone, he was extremely nice and friendly with me. However, even if we were having a good time, his behavior would shift considerably as soon as two to three guys from the group showed up. He behaved in the way the group expected from him. Moreover, as I was not a proper member of the group, he would even make me look stupid to gain acceptance from them. In fact, there was not a single guy in that group he considered a close friend, but our friendship did not matter to him so much in that situation.

The reason why a group is more important than a dyadic relationship is because for millions of years, it was crucial to be loyal to the group one belonged to just to survive. Whether people were friends or at least good neighbors before splitting into two groups did not matter anymore. When two groups started fighting with each other, dyadic relationships became secondary. This dynamic can be still observed today in civil wars. Friends and neighbors can suddenly become enemies and even kill each other. This concept is programmed in the primitive part of our brain that takes over when we find ourselves in critical situations. Being present in the group an adolescent identifies

himself with is a critical situation for the adolescent because he wants to make sure he can keep, if not improve, his status within the group.

As stated earlier, aside from this process of assimilation, groups tend to simultaneously undergo a process of differentiation from other groups. The stronger the differentiation, the stronger the sense of groupness. Labeling other groups as "enemies" reduces the potential conflicts within a group. The focus is more outwards rather than inwards. Hence, it is now even more important to conform within the group and to support each other so that the enemy can be fought successfully.

Go to a match where two teams are in tight competition. Groupness does not only emerge within each competing team, but also among the spectators. It's no wonder that violence can occur on the sports field and between two competing groups of spectators.

### **Groupness and democracy**

Switzerland seems to be a prime example of peaceful democracy. For almost 500 years, Switzerland did not face any internal or external wars. Does that mean that the Swiss folk overcame the groupness factor?

In a UK talk broadcast in 1946, the originator of analytical psychology, the great Carl Gustav Jung, said:<sup>10</sup>

In Switzerland we have built up the 'perfect democracy', where our warlike instincts expend themselves in the form of domestic quarrels called 'political life.' We fight each other within the limits of the law and the constitution, and we are inclined to think of democracy as a chronic state of mitigated civil war. We are far

from being at peace with ourselves: on the contrary, we hate and fight each other because we have succeeded in introverting war. Our peaceful outward demeanour merely serves to safeguard our domestic quarrels from foreign intruders who might disturb us. Thus far we have succeeded, but we are still a long way from the ultimate goal. We still have enemies in the flesh, and we have not yet managed to introvert our political disharmonies. We still labor under the unwholesome delusion that we should be at peace with ourselves. Yet even our national, mitigated state of war would soon come to an end if everybody could see his own shadow and begin the only struggle that is really worthwhile: the fight against the overwhelming power-drive of the shadow.

Apparently, the larger part of Europe managed to follow the Swiss example over the past 60 years, and that is certainly a great achievement of these democracies. It is apparent that group psychology was heavily at work. Fortunately for them, the European democracies learned ways to live in outward peace by introverting the wars between groups to political quarrels. The reason why there was no need to use weapons is because modern democracies allow their members to channel negative energy into political arguments. This channeling does not just happen in the parliament, but can also happen in bars, parties or even small dinners among friends. Groupness is definitely always present.

### **The dimensions of groupness**

Is there a limit to the size of groups with a strong groupness factor? One of the most powerful and, unfortunately, saddest examples of groupness in history is Nazi-Germany (1933-1945). Adolf Hitler managed to enhance groupness among the large majority of a population of almost 70 million people (69.5 million in 1939 in Greater

Germany, including Austria and Bohemia-Moravia).<sup>11</sup> In Chapter 3, I will provide more insight as to how Hitler systematically created and enhanced groupness among the people of Greater Germany.

There seems to be no physical group limit for groupness to be present, but it is certainly true that the challenge of influencing groupness grows with the size of the group. Malcolm Gladwell suggests in his bestseller "The Tipping Point"<sup>12</sup> that groups of 150 or less ("The Rule of 150") are organized mechanisms wherein new ideas and information moving around the organization easily "tip" – that is, spread from one person or one part of the group to the entire group.

Another aspect to be considered is the lifetime of a group. Groups can be extremely volatile. If you take the example of a group created ad hoc at a party, in most cases such groups disappear within less than an hour. Other groups seem to last for years. Obviously, the degree of groupness among a group has a strong correlation with a group's lifetime.

## **Group leaders**

Most groups are created arbitrarily. However, the strength of a group's groupness depends on its purpose and the cultural fit of its members. The internal leader of the group as a key influencer plays an important role. He may positively or negatively influence groupness, depending on how well he's accepted and if he is capable of being a leader.

Aside from the internal leader of a group, there can also be an external leader – a person not considered by the group members as one of them but someone who is given permission to influence the group. Good examples are a group of schoolchildren and their teacher, or a manager and his team. Most of the time, a manager is

not considered to be part of the group he is leading. The acceptance of an external leader of a group depends on the group's respect for him (see Chapter 4).

The group members as well as the external leader are usually not conscious of these dynamics. However, these play an extremely important role and largely determine the effectiveness of any external leader.

### **Con-groupness and dis-groupness**

The more I observed the groupness factor in organizations, the more I became aware that it is important to distinguish between wanted and unwanted groupness. Wanted groupness or what I call "con-groupness" (short for constructive groupness) is present when the strong cohesion of a team supports the leader's objectives for the group. Unwanted or "dis-groupness" (short for disruptive groupness) develops when the group's direction or agenda is not congruent with or does not support the organization's objectives.

The following chapters aim at helping leaders understand how they can make positive use of the groupness factor. Consider it a powerful tool, and like any powerful tool, it can be used in a constructive manner or misused in a destructive way. With a power drill you can either make a new structure or injure someone. Should the possibility of abuse stop us from using power drills altogether?

- 
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## Chapter 2

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### Why Groupness is Crucial to First-Class Leadership

Recently, I had a phone-coaching session with one of my clients, the CEO of a midsized European technology company\*. To get the ball rolling, I asked him first about his current business situation and found out that he was going to leave for a business trip to Seoul the following week.

I can't recall exactly why I asked my next question: "Which hotel are you going to stay in?" Was it plain coincidence or did my intuition point me towards the right direction?

"You know, the last time I went to Seoul, they put me in this hotel they called a 5-star hotel, but the rooms and beds were rather tiny. I made it quite clear to the country manager that next time, he should make proper arrangements for my stay."

I could have left it there, but I felt there was more to it. So I asked, "What is your business trip all about?"

"We are going to have our annual budget meeting for the Asia-Pacific region."

Having attended such meetings many times myself, I could easily picture the possible scenario of that meeting.

"I assume there will be many people going to Seoul, right?" I asked, "Will you all stay in the same hotel?"

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\* Details of case studies have been modified for confidentiality

“Well, no. My hotel is rather expensive and we can’t afford to put 15 people in that hotel. So I decided that only I will stay there, along with the global sales director and the managing director of our sister company.”

“How long will you stay there?”

“Three days.”

Trying to lead him in the right direction, I asked, “What usually happens during these meetings?”

“We discuss the strategy, then the projected sales figures for the new budget, and then the cost.”

“What about the cost?”

“We usually cut it.”

“So you cut the cost of your country managers, which they probably don’t like, right?”

“They have to accept that; it’s part of their role.”

“At the same time, you stay in a more expensive hotel than they do, right?”

“Yes.”

“Look, I’m not going to tell you which hotel you should choose. Being the CEO, you probably have the right to stay in the hotel of your choice, but let me make you aware of the possible conflict you are creating so you can decide properly. I think it is easy to imagine what this situation will do for the motivation of your country managers.

“You have the choice to go ahead with your accommodation plans and, at the same time, damage the motivation of these people or to completely prevent the situation. Three days and nights can have a considerable negative impact. People talk, and they can spread negative stories around for a long time. This is something you cannot afford to underestimate.”

After a short silence, the CEO said, “I never thought about it that way; I simply didn’t want to repeat the experience of my last visit. I’ll ask my secretary to find a hotel that accommodates both our budget and my wish for a reasonably sized room. And if that means that we will slightly exceed the budget, it’s OK. I understand that the cost of not doing it this way will be much higher than the accommodation costs.”

Do you think cases like this are rare? On the contrary, I have encountered many similar cases throughout my corporate history and experiences with clients. Do you think that as a senior executive, you would never make such decisions? Think again. Senior managers often get themselves into such situations without being aware of the likely adverse consequences.

Let’s look at what would have happened in the CEO’s example if he didn’t change his mind:

- The country managers would have felt unfairly treated and would have gotten upset.
- The country managers would have realized that their CEO is not walking the talk (cost saving) when it comes to his own comfort – this certainly wouldn’t have earned him more respect from his group.
- The sense of groupness across the organization would have been heavily damaged – in fact, it is likely that new

subgroups would have been created or existing ones, enhanced – a typical case of dis-groupness. For example, a new subgroup of Asian country managers versus a subgroup of top management might have been created.

The first two consequences listed above are the more obvious ones, but the third, which is much more subtle and intangible, may be the most powerful one.

It is easy to understand why this kind of dis-groupness is not helpful in creating a unique and uniform company culture, and that it certainly is a hindrance to achieving the company goals because not everybody is “pulling at the rope” in the same direction. This is all the more true when the sense of groupness is enhanced by continuous differentiation from the group’s superior, who eventually loses the ability to lead because his group won’t let him anymore.

Obviously, nobody in a group such as this will tell his leader “We don’t let you lead us anymore”, which, although improbable, would be a clear, convenient signal for the leader to take stock of the situation, try to understand where he is going wrong, and take corrective measures. Unfortunately, it is often the role many senior leaders believe they need to project that actually creates the communication barrier between top management and lower ranks. That means, unless a company or its leaders have an open communication style that makes lower ranks comfortable enough to give critical comments, leaders often won’t understand what is actually going on because nobody would tell them the complete truth.\*

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\*Incidentally, many CEOs of Fortune 500 companies (between 25% and 40%, according to a recent survey of The Hay Group<sup>1</sup>) have recognized this fundamental problem and turned to professional executive coaches for help. Coaching is quite effective in giving executives the feedback they cannot usually get from their subordinates.

Furthermore, subgroups that strongly differentiate themselves from other groups within the organization, especially from their leaders, will become more and more disruptive for the organization. Good leadership of such a group is then not possible anymore. In fact, they will choose an internal leader who is likely to have his own agenda.

Now let's imagine that several strong subgroups are created within the organization and that these subgroups differentiate themselves from other subgroups within the same organization, rather than from external groups such as their competitors. This is a formidable example of what is going on in many corporations. The larger the corporation, the more likely you will find such dynamics, resulting in extensive politics.

What can a leader do to deal successfully with such groups? How can he create a sense of groupness across the whole organization?

As this is a very complex task, shifting to a unique and comprehensive culture across the whole organization can be successful only if:

- Top management itself is ready for change.
- Top management is ready to embrace the principles of groupness.
- Top management is ready to make the necessary investments in leadership development.

From this, it seems as if leadership is only "top-down." And yes, it is, to a large extent. However, what is not top-down is achieving acceptance as a leader. This is where "bottom-up" processes are important. You can find more about these processes in Chapter 5, where I describe the top 10 leadership competencies, which include many bottom-up interactions.

Breaking an existing culture can be a positive destructive process. It requires the leader to manage the key players of the “old culture.” Unless the leader gets these players to make the necessary shifts, he is bound to fail in his culture-destruction efforts. The leader must be aware of the powerful – often unofficial – positions these people hold and must ask himself what would motivate them to change.

In some cases, leaders come across key players who completely refuse to cooperate. In such instances, the leader may have no other choice but to make them redundant or transfer them to another department, ideally to a different physical location.

The groupness factor is a powerful human factor. It can make or break a leader’s success. Once a leader understands how to foster the maximum potential of the groupness factor, leadership becomes an almost effortless task. However, the journey to a great sense of groupness within a team can be a rocky path, depending on the current reality of the group.

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1. Muldowney S. Shape up your career with an executive coach. *BOSS Magazine*, December 2002.

## Chapter 7

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### Groupness and Creating a Corporate Success Culture

Awareness of "corporate culture" was created in the late 70s and early 80s with a number of management books on the subject. Perhaps the most popular book at the time was "Corporate Cultures: The Rites and Rituals of Corporate Life" by T.E. Deal and A.A. Kennedy, published in 1982. They defined "corporate culture" as "the way we do things around here ... a system of informal rules that spells out how people are to behave most of the time."<sup>1</sup>

This is a simple yet direct description of the sometimes-overused term. Deal and Kennedy identified five elements of a strong corporate culture in the more recent "The New Corporate Cultures: Revitalizing the Workplace After Downsizing, Mergers, and Reengineering" (published in 1999):<sup>2</sup>

- 1) The corporate culture is adapted to the environment in which the company operates
- 2) The values are at the heart of the corporate culture
- 3) Existence of "heroes", i.e., the people who truly personify the culture's values
- 4) Established rites and rituals = systematic and programmed routines
- 5) A cultural network as the carrier of the corporate culture

Ideally, the corporate culture supports the organization's vision and goals; however, this is not often the case in actual scenarios. Dis-groupness among informal groups can lead to strong subcultures that hinder, rather than support, the success of an organization.

A strong corporate culture is not necessarily equal to a success culture. Success depends on whether the values of the organization

support the company goals and the environment in which the organization operates.

To illustrate: one of the organizations I've come across had a technocratic culture that was highly influenced by the president who created the company many years ago. The organization claimed "being technical" as one of their core values – a value that could be observed among the majority of the executives and employees. People without a strong technical background were not appreciated and were only tolerated if their job description had nothing to do with technology. This culture worked well for some time in the 80s when the company's customers were equally technology-driven. However, in the 90s, their customers moved away from the technical-perfect solution and focused more on economically viable compromises. The strongly technology-driven culture became a handicap for the company and almost ruined it.

### **What makes or breaks a corporate culture?**

There are two major factors that influence corporate culture:

- The leadership
- The formal systems, policies and regulations of the organization

In Chapter 4, I talked about the importance of aligning the subcultures of the various groups with the desired culture of the organizational group, and I elaborated in previous chapters how leaders can become more influential. Therefore, let us concentrate now on aligning formal systems, policies and regulations of the organization.

**Figure 6.** Policies, Regulations and Systems and Their Impact on Groupness

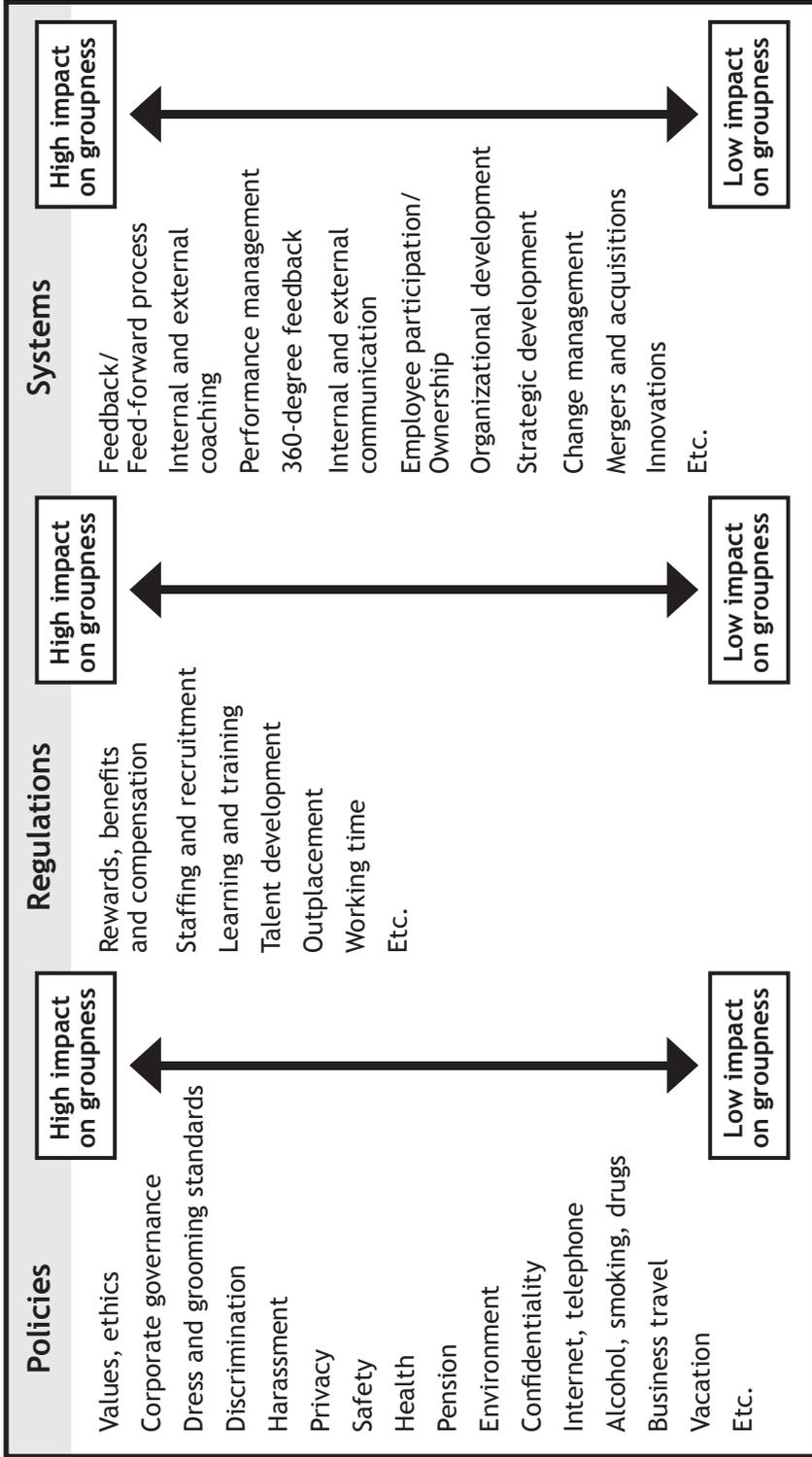


Figure 6 gives an overview of the most important systems, policies and regulations that need to be aligned to achieve maximum success.

It is easy to see how “the way we do things around here” is greatly affected by the policies, regulations and systems of an organization.

While formalization of the key policies, regulations and systems helps to create the desired culture, actual practices that support or counter the company goals may have a more significant effect. Companies have many informal, unwritten rules in place and it is necessary to understand and assess most of the practices of an organization. Such an assessment will give leaders sufficient insight to make changes towards their organization’s success culture.

Formalization can help achieve change, but only if the group members buy into the new practice. As outlined earlier, the question, “What’s in it for me?” must be answered before introducing changes in corporate culture.

To strengthen desired practices, Deal and Kennedy suggest establishing certain rituals that show the employees the kind of behavior that is expected from them. For example, if your company wishes to improve the organization’s innovative ability, you can have “playtime” every second Friday from 11:30 am to 1:30 pm. During that time, the employees can stop their regular work and create groups to discuss or study by themselves how things could be done differently in their workplace. Of course, depending on their operational needs, there must be contingency backup plans, which can mean that not everybody can participate in playtime.

Alignment of the most important policies, regulations and systems alone will not create the desired success culture. The behavior of the

organization's leaders is of equal, if not greater, importance. If the leaders are not sufficiently aware of the dynamics happening within their teams or competent enough to create the desired groupness, a corporate success culture cannot be achieved.

To achieve a strong, company-wide success culture, it is further required that the behavior of management is aligned with the company vision. Employees continuously check and learn from signals given by their managers. If a manager does not behave in the way he wants his subordinates to act, the manager can become discredited. Also, if only some managers live up to the company's desired standards and values, corporate culture weakens or breaks down.

This is why a corporate coaching culture is much more effective than coaching just a few employees. If the external and internal coaches are competent and work together based on what the senior management team has established as the desired culture, a high degree of leadership alignment can be achieved.

In 2004, this finding prompted me to initiate the Master Coach Alliance,<sup>3</sup> a network of likeminded professional coaches. I found that in order to help larger corporations develop a corporate success culture, one coach alone cannot accomplish such a critical task. A more formal and united alliance would ensure that the coaches involved will work together in an aligned manner.

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1. Deal TE, Kennedy AA. *Corporate Cultures: The Rites and Rituals of Corporate Life*. Reading, MA: Addison-Wesley; 1982.
  2. Deal TE, Kennedy AA. *The New Corporate Cultures: Revitalizing the Workplace After Downsizing, Mergers, and Reengineering*. Reading, MA: Perseus Books; 1999.
  3. The Master Coach Alliance. Available at: [www.master-coach-alliance.com](http://www.master-coach-alliance.com).

## Chapter 8

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# The Benefits of Leading Using the Groupness Factor

We must not, in trying to think about how we can make a big difference, ignore the small daily differences we can make which, over time, add up to big differences that we often cannot foresee.

- Marian Wright Edelman

Can you imagine leading an organization with members who are not only ready, but *aching* to perform well?

Can you imagine not needing to motivate your staff with perks and benefits because they are already naturally motivated to want what you want?

Can you imagine being able to balance your life outside work and experience leadership as a true vocation because you don't waste time and energy to fix countless problems and ensure your people are performing in the best possible way?

Do these scenarios sound too good to be true? They may not be easily achieved, but they are entirely possible, as several examples among the Best Employers identified by Hewitt Associates show.<sup>1</sup>

The previous chapters made you aware that becoming a first-class leader requires a number of skills and developing a number of traits. Being aware of and influencing the groupness factor are perhaps some of the most important keys towards organizational success.

In addition, if you are the CEO of a company, it is not sufficient that you become the only first-class leader. To achieve these outcomes, first-class leadership must be achieved across all management levels of your organization. Once you have developed a highly competent leadership team, you can expect:

- The emergence of a success culture with high levels of con-groupness across your organization
- A spirit of performance among the members of your teams
- A highly engaged workforce that wants to fulfill your company's mission and make your vision a reality

These will lead to:

A. Cost savings due to:

- Higher employee retention, especially of top talent
- Lower absenteeism
- Improved quality of processes, products and services

B. Increased revenue due to:

- Higher customer satisfaction
- Improved brand awareness
- A more effective sales team

C. Higher shareholder value because of:

- Increased confidence of existing and potential shareholders
- Improved profitability
- A clean corporate image

## 1. Cost savings

### a. Talent retention

Just throwing money at people isn't going to be enough to keep them. If they don't like the company, the people they work with, or the way they're treated, they'll leave. Corporate culture has more to do with retaining people than it's given credit for.

*- Flora Bacco, director of organizational policy and programs for UNUM America*

What makes people want to leave their company? Studies, such as the exit interviews performed by the Saratoga Institute, reveal that less than 20% of all employees leave their jobs for better pay, benefits and perks.<sup>2</sup> More important reasons for employees voluntarily leaving jobs are:

- Misalignment of mutual expectations
- Person-job mismatch
- Insufficient coaching and feedback
- Perception of poor career-advancement prospects
- Work-life imbalance
- Distrust toward senior leadership
- Low confidence in senior leadership

Based on my own corporate experience, it seems that these US findings are very similar to what is happening in Europe and Asia. Apparently, the basic needs of people are the same worldwide, and these are:

- The need to be respected and acknowledged
- The need to belong to a worthwhile group
- The need to be recognized as a worthy human being

Obviously, the competence of the leadership in the organization can have a huge effect on these needs.

When calculating the cost of hiring an employee, you may need to consider:

- Advertising
- Agency and search firm fees
- Referral bonuses paid to employees
- Travel costs incurred by both recruiters and applicants
- Relocation costs
- Company recruiter costs (including salary and benefits prorated if the recruiter performs duties other than staffing)

Often, the costs of hiring add up to 50% and more of a yearly salary. Additionally, it must be considered that a new hire is not immediately 100% productive. Hence, a high retention rate has a considerable direct effect on the bottom line.

One note on retention measurement: there is nothing wrong with measuring retention rates. However, while a low retention rate clearly indicates room for improvement, a high retention rate does not necessarily mean that good leadership is in place. It is important to consider external factors like the availability of other opportunities, the economic situation, and so on, which might make people stay even though they would actually prefer to leave. When external factors change significantly, the retention rate might suddenly drop even without major internal changes.

## **b. Staff absenteeism**

According to a US survey by CCH [Commerce Clearing House], which publishes human resources and employment law information, the direct cost of unscheduled absenteeism hit a record high last year [2002] - an average of US\$789 an employee, or more than US\$3.6 million a year [average cost per company], at large US companies.

While common in Asia, disciplinary action is not the most effective way to manage absenteeism, notes Charles [Alfred Charles, industrial relations specialist and managing consultant at Pro Act Management & Consultancy in Kuala Lumpur, Malaysia]. 'The best way is to increase the motivation levels of employees by job enlargement and job enrichment, and reward employees whose productivity levels are exceptional.'<sup>3</sup>

The unexpected absenteeism rate is clearly another cost factor highly influenced by the culture and leadership of an organization. First-class leadership produces high motivation and, subsequently, a low absenteeism rate. Also, if organizational groupness elevates,

the group members will feel a stronger solidarity with their peers and will try to minimize unscheduled absence from the workplace.

### **c. Quality**

Total Quality Management (TQM), Six Sigma, Kaizen, and so on – myriads of quality improvement models have been developed to achieve the highest possible quality of processes, products and services. However, all of these methods highly depend on the willingness of the employees to adopt them. Again, first-class quality can only be achieved through first-class leadership.

## **2. Increased sales**

When do customers buy? In my experience, customers buy when either one of the following two conditions is fulfilled:

- The comfort level of buying is sufficiently high
- The discomfort level of not buying is sufficiently high

Clearly, buyers prefer the first situation. Unfortunately, most organizations and many sales teams act in a way that does not help the buyer become more comfortable with their buying decision. In fact, the traditional way of selling, even the so-called consultative selling method, doesn't sufficiently help the customer feel more comfortable with his buying decision. Hence, a large number of sales is achieved because the buyer can't further bear the discomfort of not buying.

Rather than elaborating on sales methods, I shall focus on the effects of leadership on company revenues.

First-class leadership leads to an engaged workforce, which in turn, leads to higher customer satisfaction and improved brand image. Both factors lead to a higher customer retention rate, which leads to more “automatic sales” due to repeat purchases.

Finding new customers requires more time and effort than keeping loyal customers. Hence, revenues per salesperson – and total sales – will increase with the number of loyal customers.

Also, I often see salespeople spending a good portion of their time with special customer care due to quality problems and inefficiencies caused by a less engaged workforce in the production and back-office. Not only is this time taken away for actual sales activities, but it also reduces the confidence and motivation of the sales team, leading to a lower productivity.

### **3. Higher shareholder value**

Professional institutional investors spend an increasing amount of time analyzing the leadership of an organization before making any investment decision. Today, more than ever, leadership integrity is a factor that should not be underestimated when considering the shareholder value of an organization. After the scandals with Enron, Arthur Andersen, WorldCom, etc., it does not come as a surprise that investors evaluate the integrity of the leadership before making an investment decision. They realize that good corporate governance and effective leadership is at least as important as the figures presented in the annual report. The annual reports are a reflection of the past; the current culture and leadership are indicators of the company's future. Investment decisions are future-oriented decisions, which explains why professional investors grill senior management before making a buying decision.

Of course, the profitability of an organization is still a major factor for investment decisions. Profitability is mainly a function of revenues and cost. As mentioned in the earlier sections of this chapter, first-class leadership leads to lower cost and higher revenues, which means it also naturally leads to higher profitability.

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1. Bennett M, Bell A (Hewitt Associates). *Leadership and Talent in Asia: How the Best Employers Deliver Extraordinary Performance*. Singapore: John Wiley & Sons (Asia) Pte Ltd.; 2004.
  2. Branham L. *The 7 Hidden Reasons Employees Leave*. New York: American Management Association; 2005.
  3. Muldowney S. Nursing your absent workers back to good health. *BOSS magazine*. May 2003.

## Chapter 9

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# Tools for Becoming a First-Class Leader

### Karate by PowerPoint

Imagine that you have been asked to participate in a karate kumite (1:1 combat) competition. Imagine further that you were given only 3 months to prepare. Let's assume that you have only heard of karate but never practiced it in any way. You may or may not be a particularly sporty person. You may or may not be fit, flexible, strong, etc. Just imagine the situation as realistically as possible.

What would you do? You are not permitted to decline participation; you were given only time and some resources to prepare yourself.

Let's look at some options:

- You do nothing, just go into combat and see how it goes. If you are a fairly fit person and had your share of fights as an adolescent, you might think that this is enough for you to compete.
- You try to learn from a couple of books on karate.
- You go to a karate university where a professor gives a lecture on the different aspects of karate, its history, the effectiveness of certain techniques, etc.
- You go to a training called "Understand Karate in 3 Months." When you reach the classroom, you sit down and listen to the presenter, who uses a PowerPoint presentation to illustrate his points. You are supposed to come for a 1-hour session every week for the next 3 months. All sessions are

set in the same format, i.e., an experienced 3rd Dan Sensei (black-belt karate master) shares his knowledge and wisdom on karate using modern presentation tools.

If you follow any or a combination of these methods, how well will you be able to perform in the competition? Of course, it depends on your ability to learn using these methods and your talent, as well as your physical condition.

Apart from that, how developed will your technique be? How well will you perform with an opponent? In all of the options above, you never actually practiced what you learned or dealt with the unexpected moves of an opponent.

Perhaps you can already tell where I want to take you with this analogy. Whether you want to learn karate or piano or English or leadership, the principles of learning seem to be pretty much the same.

It is easy to see why, using any of the methods above without actual practice, a beginner won't have a good chance to win a karate match. However, in the case of leadership or executive development, these methods seem to be the most widely accepted and applied.

How do sports people learn a sport? How do musicians learn an instrument? Of course, basic theories must be understood first. True learning, however, is acquired through actually practicing skills under expert guidance, usually achieved in a highly interactive and experiential training environment. Top performers get top individualized guidance to assure maximum performance.

Why should it be any different when it comes to leadership development? Because we believe in "natural leaders"? Well, yes, great talent and a conducive upbringing are always helpful.

However, natural talents – Tiger Woods, for instance – certainly need their fair share of training and coaching to remain world-class.

Truly effective leadership programs are designed in a way that respects each participant's background and experience, and builds mostly on the strengths of each individual while overcoming any weaknesses that could hold back overall performance. Such workshops are highly experiential, fostering self-learning opportunities. Rather than "role play", they include "real play" whenever possible.

In addition to this, I strongly encourage follow-up coaching, mentoring or conferencing to assure that the participants don't fall back into their old habits as soon as the seminar is over.

How did you learn what you know about leadership? How is it working for you? What do you need to know in order to decide how you can develop your performance and effectiveness in the best possible way?

## **Learning and development options**

What are the possible options for developing your leadership skills? Figure 7 gives an overview considering time and cost.

### **1. Learning from books**

**Talent develops in tranquility, character in the full current of human life.**

*- Johann W. v. Goethe*

**Figure 7.** Leadership Development Overview

	Cost	Time required	Effectiveness	Comments
Reading	Low	Medium-high	Low	Difficult transfer from knowing to doing
Teleclasses	Low-medium	Medium	Medium	Good to understand and learn the basics
Online learning	Low-medium	Medium	Medium	Good to understand and learn the basics
Mentoring	Medium	Medium	Medium-high	Effectiveness highly depends on the competence of mentor
Training	Medium-high	Medium	Medium	Lack of follow-up
Internal coaching	Medium-high	Short-medium	Medium-high	Limitation due to company bias
External coaching	High	Short-medium	High	Selection of appropriate coach is key
University degree	High	High	Medium-high	Profound, often lacks possibility of immediate application
Trial and error	High	High	Low-medium	High indirect cost

You are reading a book right now and I trust you have learned something useful from the previous chapters. Will you be able to apply everything you read in this book in real life? How much of what you have learned do you think you can truly implement without any assistance?

It will probably depend on:

- How much you already know
- Your experience in leadership
- Your capability to convert what you learn into actual behavior

While reading books are very useful in expanding our horizon, providing inspiration and developing our intellect, it has limitations in significantly changing our actual behavior.

## **2. Teleclasses and webinars (online learning)**

Teleclasses are very commonly used for coach training but do not seem to be very widely used for management or leadership development.

How does a teleclass work? The facilitator arranges for a conference line, which is accessed by all the teleclass participants using any telephone. The facilitator combines his own presentation with participant interaction. Typically, the size of a teleclass is limited to approximately 20 participants to allow sufficient interaction between facilitator and participants. Teleclasses usually last for around 1 to 3 hours.

Webinars could be considered enhanced teleclasses because they provide online presentations and file access aside from voice communication. This is particularly useful for learning complex technical matters.

The benefits of the teleclasses and webinars are:

- Relatively low cost
- Convenience – participants can join from wherever they are
- Compact learning units – participants can try to apply their new learning immediately after the class

The weaknesses of these concepts are:

- Lack of extensive discussion due to limited time
- Unlike in classroom settings, testing new behaviors in a safe environment is very limited
- Rapport among all participants is difficult to establish if the seminars are isolated events
- Risk of technical problems, especially for webinars

### **3. Mentoring**

In mentoring, usually a more senior leader is available and partly responsible for the development of a manager. This concept works particularly well if the following conditions are met:

- The mentor has high leadership competence.

- The mentor is from a different division that is not too closely linked with the mentee's.
- The mentor has high coaching competence.

The challenge for the mentor is to keep a neutral position so that his own bias doesn't interfere with the development of the mentee. Also, to be truly effective, the mentor must not only give advice, but must be able to stimulate the mentee's own thinking, granting him more ownership of his learning. This increases the probability of subsequent behavioral changes.

#### **4. Training**

Leadership training is usually done via 1- to 3-day workshops and aims to help attendees develop their leadership skills.

I experienced and conducted many professional development training sessions for improving soft skills such as leadership skills, presentation skills, speaking skills, sales skills, etc. After such training sessions, participants frequently leave these trainings all hyped up. They learned a few new skills, have the chance to apply them in a safe environment, and are determined to put into practice what seems appropriate to them.

However, if you check on these participants a few weeks later, you will find that only less than a fifth of what was taught was actually put into practice and became a truly new behavior. Considering the rather high cost of these courses and the time off work, this seems to be a very disappointing result. It's no wonder then that more and more HR managers are starting to doubt the ROI of soft-skills training.

Being aware of this problem, an increasing number of training providers suggest one to two follow-up trainings, which certainly help to improve the effectiveness of formal training. However, the problem with this approach is that the trainees usually have different backgrounds, experiences, knowledge, etc. and face different situations in their work. The larger the group, the less possible it is to take these variances into consideration. As a consequence, I strongly recommend to my clients that they combine training with an individual follow-up coaching, which might be slightly more expensive, but markedly increases the effectiveness of the training program. If the group involved is very large, I suggest a train-the-coach program to reduce the total cost of the program while maintaining its effectiveness.

## **5. Internal and external coaching**

**Executive coaches are not for the meek. They're for people who value unambiguous feedback. All coaches have one thing in common, it's that they are ruthlessly results-oriented.**

*- FAST COMPANY Magazine*

How is internal coaching different from mentoring? The key differences are:

- The internal coach received formal coaching training.
- The internal coach is usually not in a line management position.
- The internal coach's main job involves coaching.

These characteristics give internal coaching a number of advantages:

- Less risk of bias
- Higher coaching competency – masterful coaching requires a lot of experience and practice
- Easier attainment of a high level of confidentiality and trust
- Usually more frequent coaching sessions than with a mentor

The same advantages are achieved with an external coach. In fact, for an external coach it is even easier to avoid bias and have a very open communication. Also, the fact that an external coach is not part of the organization gives him the advantage of seeing things better from an outsider's perspective, which is frequently necessary in leadership coaching.

However, because hiring an external coach is relatively more expensive, coaching sessions with external coaches are usually fewer than with internal coaches. On the other hand, training and maintaining internal coaches usually require a certain company size to make it economical.

## **6. Universities and business schools**

Fortunately, more and more universities and business schools recognize the need for leadership education and integrate lectures on leadership in their curriculum. This means that in the future, it will be possible to have more people who are better prepared for leadership roles.

Is it worthwhile to go back to university to acquire an additional degree or diploma for formal leadership education? I believe that this way of learning is quite time- and money-consuming, and I suggest it only for people who would feel good about getting another formal degree or diploma. So far, industries have not made formal leadership education a condition for employment or promotion.

## **7. Trial and error**

I learned a huge chunk of my leadership skills through trial and error. So now that I've been there and had the chance to acquire skills through other methods, I can identify the major pitfalls of relying solely on experience. I do *not* recommend this method of learning because:

- Until the leader reaches a sufficient level of competence, there will be many negative and costly consequences of having an inefficient leader.
- Relying on trial and error often leads to massive frustration of both the leader and the group members.
- Relying on trial and error can destroy a well-functioning organization and create a lot of dis-groupness.

Let me illustrate this using one of my previous client's experiences. The previous leader of an international team left his company and was replaced by a new manager from outside the organization. During his 8 years with the company, the former international team manager achieved considerable growth within his area of influence and left a well-functioning international team with a strong constructive groupness as his legacy.

The new international team manager tried to put the old manager's achievements in a bad light by exaggerating small problems that still existed after the previous manager left. He felt that the previous manager was too relaxed with his international country managers and introduced new rules and regulations for better control. As a consequence, the country managers, all rather senior and experienced leaders, felt disempowered and demotivated under the new manager's leadership and started to spend a lot of time calling and emailing each other to complain about what was going on. This was dis-groupness par excellence! Some of them even decided to leave the company out of frustration with the new leadership style.

The managing director who employed the new international team manager made a classic mistake. He led the new manager in exactly the same way as the previous manager: with very little supervision right from Day 1. He did not even elicit feedback from some key subordinates of the new manager to check his acceptance. Hence, unknown to the managing director, the situation became increasingly difficult. Unfortunately, this process was unduly disguised by an improving economy, hence the financial results did not reflect the internal problems of the team.

When I was called in, the situation had already escalated. My task was to help the international team manager achieve better teamwork with his country managers. There were a number of difficulties I needed to overcome:

- It was not the international team manager who suggested an executive coach – it was the HR director who became aware of the difficult situation.

**Solution:** I needed to make the international team manager willing to work with me.

- The international team manager had great deficiencies in leadership skills and traits, in particular. His level of integrity required considerable development if we were to achieve true permission to lead his team. When I was called in, that permission was completely lost.

**Solution:** The new international team manager needed much fast-track development to become a reasonably good leader.

- It was necessary to involve the country managers in the change process. Only when the international team manager indicated his commitment to undergo true change and self-development was it appropriate to get the country managers into the boat. They had to understand that their cooperation and support was needed to help their boss change.

**Solution:** We organized a couple of group workshops to align the ideas of the international team manager with those of the country managers so that a common direction could be established.

After I saw the degree of entanglement of this case, I set some clear conditions before I could commit to this difficult project:

- The international team manager should be willing to cooperate.
- There should be symbolic back-up from the managing director.
- There should be sufficient time and budget to help the new team manager develop the necessary competencies.

- The country managers should be involved in the process.

How could this company have fared better, avoided damage and achieved better financial results? The choice this company made was certainly not ideal for this kind of important leadership position. From the company's point of view, the new manager seemed to be a good choice as he was very eligible for the job, that is, he had a good education (MBA from a renowned business school) and relevant industry experience. What was not sufficiently considered was the candidate's suitability for this kind of leadership position. Also, little importance was given to the cultural fit of this manager.

Aside from paying more attention on the soft factors during recruitment, a good mentoring or coaching program during the start-up period would have revealed these deficiencies, and appropriate action could have been taken before too much damage was created.

I am aware of the difficulties involved in finding the right talent for leadership positions. It is not a sin to employ people who are not ideally suited to a position, but it is a grave error to ignore the possible consequences and not to provide appropriate start-up support for new executives. Not only would a professional program help speed up the productivity of the new leader, but it would also reveal the true capacity of the new executive and areas that need development.

## Chapter 10

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### **My Mission – First-Class Leadership for the Benefit of all Stakeholders**

Taking the time to read my book is a testimony of your ability to understand true leadership. I am grateful that you took the time to further your knowledge using this book, and am confident that you now have the insight, tools and strategies to make an impact on any organization or group. You are on your way to being a true model of first-class leadership.

Discovering the groupness factor helped me further comprehend the dynamics that exist in all kinds of organizations. This factor also helps me understand how corporate cultures develop and change, and why they have such an important effect on the success of an organization.

For millions of years, groupness was crucial to survival and so it makes perfect sense that this instinct is still vastly present up to this day. What I found amazing when I discovered this powerful factor is that there was hardly any literature that described it. This is one of the reasons that prompted me to write this book. I felt it was my duty to share this discovery with as many people as possible, trusting that it will help me support my mission to achieve first-class leadership for the benefit of all stakeholders of any organization.

Stakeholders suffer from poor leadership and benefit from improvements in leadership and the corporate culture. I experienced this with three different employers during my corporate career and I still experience it almost daily in my coaching practice. Figure 8 illustrates how stakeholders benefit from first-class leadership.

**Figure 8.** Benefits of First-Class Leadership for Stakeholders

First-Class Leadership leads to:							
Stakeholders	Shareholder value	Profits	Safety	Work-life balance	Confidence	Safety	Financial benefits
<b>Shareholders</b>	Purpose, sense of belonging	Recognition	Satisfaction	Work-life balance	Confidence	Safety	Financial benefits
<b>Employees</b>	Satisfaction	Confidence	Recognition	Sense of belonging	Work-life balance	Financial benefits	
<b>Managers</b>	Satisfaction	Safety	Profits				
<b>Customers</b>	Satisfaction	Confidence	Safety	Profits			
<b>Suppliers</b>	Satisfaction	Confidence	Safety	Profits			

Obviously, both leaders and employees are among the key beneficiaries of first-class leadership. If a leader manages to establish a strong culture across his organization that supports company goals, his life as a leader will become much easier. If successful, he can focus on the truly important issues, rather than dealing with annoying nitty-gritty details.

Perhaps the employees are the biggest beneficiaries of first-class leadership, probably because they are the only ones who truly experience leadership first-hand.

Now that you are aware of the great impact of the groupness factor on organizational success, how will you translate this awareness into meaningful action? What do you and your organization's executives need to learn to become successful first-class leaders? Considering the great impact on an organization's bottom line, what resources are you willing to allocate to achieve leadership excellence?

I'd be delighted if you joined me in my mission to achieve first-class leadership in as many organizations as possible, for the benefit of all stakeholders. You are definitely one of them!

I wish you continued success and significance in your journey of life.

Please feel welcome to write to me if you have any suggestions, questions or comments on this book. We appreciate any feedback you might have.

Email me at [Charlie.Lang@progressu.com.hk](mailto:Charlie.Lang@progressu.com.hk)

Thank you very much!

Let's keep progressing!

Charlie Lang

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## Have you ever wondered:

- What makes some leaders more successful than others?
- How former friends can kill each other in a civil war?
- What makes people stay in an organization despite better opportunities elsewhere?

This groundbreaking book aims to help leaders understand how they can fully and consciously make use of the influential groupness factor to achieve first-class leadership for outstanding business results.

Charlie Lang, a former senior executive and now one of the leadership experts in Asia, discovered the groupness factor in early 2004. Through his expertise and wisdom as an executive coach and mentor, Charlie recognized the power of this entirely natural but almost unknown factor, and how first-class leaders intuitively use it.

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