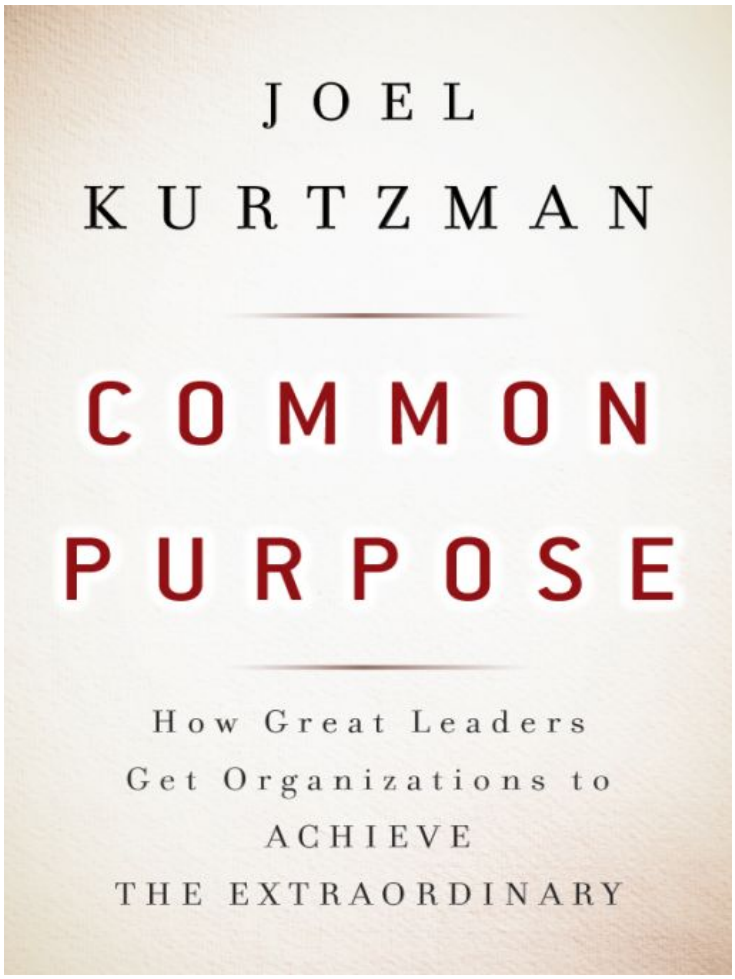
JOEL
KURTZMAN

COMMON PURPOSE

How Great Leaders Get Organizations to ACHIEVE THE EXTRAORDINARY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To Karen Warner, who teaches leaders how to lead

FOREWORD

By Marshall Goldsmith

Major changes have occurred in the world of organizations since the late 1990s. In fact, not since the Industrial Revolution have we seen such rapid and significant change in the world of organizations. These changes, brought on by such forces as globalization, the development of technology, and their impact on our societies, are becoming increasingly evident as we progress into the 21st century.

As the century unfolds, new realities are becoming clearer. Multinational mega-organizations are emerging, and organizations are consolidating through mergers and acquisitions, yet simultaneously, smaller and mid-sized companies do flourish. New models of leadership are blossoming, some with unfounded success. For instance, focusing on working better as teams and empowering those closest to the customers to make important decisions have led to great accomplishments.

But who is to say what model will work for any specific organization, industry, or team? Because of the diversity of customers, technologies, and areas of operation, companies can't produce just workbooks and manuals anymore. The world is too big, too changing, and too varied. As a result, leaders and their followers must make the right decisions on their own because they have internalized the organization's mission, values, strategy, and brand.

Companies that understand this hire leaders who pay as much attention to developing the culture of the organization as to the individuals who make up the organization. They

hire leaders who focus on common purpose—building a sense of inclusiveness within the organization where people know what to do and why, and understand what the organization stands for—and stand with it!

In *Common Purpose: How Great Leaders Get Organizations to Achieve the Extraordinary*, Joel Kurtzman takes his many years of research, personal observation, interviews, and interactions with leaders and distills them into one critical concept that is the essence of good leadership: excellent leaders create a feeling of “we” among the members of their group, team, or organization—they do this in order that the organization, now aligned around a common set of goals, is nearly undefeatable by any circumstance or competitor.

The road to common purpose in leaders and leadership is not an easy one. This book provides a road map to stay on that journey—and to succeed along the way.

Life is good.

Marshall Goldsmith is the best-selling author of *What Got You Here Won’t Get You There, Succession: Are You Ready?*, and *MOJO*.

INTRODUCTION: NO ONE LEADS ALONE

Since the end of World War II, tens of thousands of books, articles, studies, and theories have been developed on the topic of leadership, with thousands more coming out each year. People are fascinated by the subject and want to discover how they can become better leaders or rise to leadership-level positions. Authors and researchers have approached the topic from a wide variety of perspectives—business, politics, religion, community—and from disciplines like psychology, economics, and sociology. They've studied primate behavior, whale and dolphin pods, people in prison, native tribes living in the world's rain forests and savannas, CEOs, politicians, and sports figures.

And yet despite all this work, a consensus has so far failed to emerge with respect to what leadership is, how leaders develop, and—perhaps most important—how to become a more effective leader. Ideas about how to rise inside organizations run the gamut from, "It's all luck and politics," to "It's all hard work and preparation," to "You've got to generate your own internal PR," to "There's no limit to how high you can climb as long as you don't care who gets the credit." Others point to the power of teams and team building and of finding the right team to join. And still others say you have to select a few choice assignments for yourself and then shine. As a result, the appetite for ideas that provide answers to the puzzle of leadership is almost insatiable.

This book, which is the result of years of research and hundreds of interviews and personal observations and interactions with leaders, provides an answer to the

leadership question. But in my opinion it is different from all those leadership books and studies already on the shelf because it demonstrates that the heart and soul of leadership is the creation of *common purpose*. Common purpose is a new concept.

What is common purpose? To me, it is that rare, almost palpable experience that happens when a leader coalesces a group, team, or community into a creative, dynamic, brave, and nearly invincible we. It happens the moment the organization's values, tools, objectives, and hopes are internalized in a way that enables people to work tirelessly toward a goal. Common purpose is based on a simple idea: the leader is not separate from the group he or she leads. Rather, the leader is the organization's glue—the force that binds it together, sets its direction, and makes certain that the group functions as one. Common purpose is rarely achieved, but I have seen it when a leader is able to bring about results that are outsized, measurable, and inspiring.

My interest in this topic was kindled long before I became editor-in-chief of the *Harvard Business Review*, where one in seven articles submitted to the magazine, out of more than four thousand articles submitted each year, was about leadership. My interest was provoked long ago by Warren Bennis when I was an editor, reporter, and columnist at *The New York Times*.

Bennis, a professor of business at the University of Southern California and a long-time student of leadership, had written many books on the topic. As a journalist, I did most of *The New York Times*'s CEO interviews and also interviewed a great many politicians and military leaders. Because of those interviews, I became fascinated with how certain people were able to motivate the troops (literally and figuratively) day in and day out.

One day when Bennis was in New York, I asked him how leaders inspire and encourage followers (for lack of a better word) to take action. How did someone like Dwight D. Eisenhower, for example, motivate 160,000 soldiers to cross the English Channel and storm Normandy's beaches underneath a constant hail of lead? Or, more mundanely, how does Sam Palmisano, chairman and CEO of IBM, ensure that the company's 388,000 employees are working together, and not just for themselves? How do leaders make certain the individuals in their organizations are contributing value to the bottom line? What enables leaders to keep their people aligned? And what prevents chaos from breaking out? In short, how does a leader transform individuals from me into we? And why do some leaders fail?

The answer Bennis gave was clever. Leaders don't do it alone, he said. Good leaders are not outsiders who cheer on a group. They are part of that group, integrated deeply into its fabric and emotional life. "Great generals may climb the ranks," he said, "but they are still soldiers. Someone who views himself as an outsider or as above the other members of the group can almost never succeed as a leader."

"So there must be a sense of identity and connection between leaders and led?" I asked.

"Yes," Bennis replied. "If there isn't a deep connection, a real fit, the leader will fail. Quite literally," he continued, "when there isn't a fit, the group will either eject the leader or destroy itself in the attempt."

I had noticed as much. During my tenure at *The New York Times* (which is to say, the 1990s), no one was able to ascend to the masthead unless he or she had been a reporter. To obtain any real power in the newsroom, you had to show the paper's notebook-toting reporters that you understood the demands of their job, knew how it was done, and had done it yourself. Reporters might have earned their

chops at another newspaper like the *Wall Street Journal*. Where they earned them was not that important. What mattered was that they earned them. Editors, brilliant though they might be, could never earn the kind of credibility that came from working a beat. Connecting with the group you lead means demonstrating you are part of the group, understand its challenges, can do its jobs, and can stand the pressure and the heat. These attributes cannot be faked.

These requirements are not limited to newspapering. At New York Life, a large life insurance company, no one rises very far without having spent at least some time sitting at a stranger's kitchen table selling life insurance. At UPS, almost every CEO started behind the wheel of a big brown van or working in a warehouse. Procter & Gamble, one of the oldest, most successful, and most admired companies (it was founded in 1837), has never brought in an outsider as CEO.

These examples may sound quaint, but the truth is that no one can succeed as a leader without creating a deep connection with those he or she leads. And this connection must be genuine. The leader and the followers must feel like the we of a group.

Such feelings cannot be manufactured out of thin air. They must be genuine and heartfelt. And yet every leader I interviewed, worked with, or have met over the years has confided that the connection between a leader and the people they lead is fragile and can be broken at any time. Leaders must renew their connections to their groups, and they must do it every day. If they don't, and instead take these bonds for granted, the group will reject them. Peak performance comes only when the leader and the group function as one.

REJECTING A LEADER

I once consulted to a global automobile parts manufacturing company based in Detroit. The company designed and produced gears, brakes, axels, electronics, and lots of other components that make cars run. It had factories around the world and sales in excess of $15 billion; it also had almost no profits and a falling stock price.

I went in with a team from a consulting firm to try to create efficiencies that would save the company money and boost earnings. It was consulting 101. The consulting team had done similar projects around the world. But it just wasn't working at this company, and my job was to find out why.

From the moment I entered the company's glass-and-steel headquarters, I sensed something was wrong. You could practically feel it in the air and see it in the downcast faces of almost everyone who worked there—from guards at the security desk, to the people on the assembly lines, to the accountants in the offices, to the men and women working the forklifts. You could feel it when you walked into the cafeteria. The mood was glum.

It took a single meeting with the chairman/CEO to see what was wrong. He was amiable, able, and successful. He had a power office, wore a power tie, and played great golf. He had two secretaries and a tricked-out airplane to fly him around the world.

But he was a salesman who had ascended the ranks of what was an engineering and manufacturing company that had a distinct engineering and manufacturing culture and mind-set. As a salesman, he couldn't connect with the men and women who actually made the stuff he sold. There was mistrust all around. And as if that weren't enough, the chairman/CEO was at war with the popular head of

manufacturing—a highly experienced engineer—over how to cut costs. Everyone knew a war was being waged, and everyone seemed to be rooting against the chairman/CEO.

Why didn't they trust the chairman/CEO? Most people in the company felt the sales force was not committed to anything but sales. They didn't care if the products the company made were the world's best or worst. All they cared about were their commissions. But the engineering and manufacturing teams did care. They took pride in their designs, the quality of their products, their low defect rates, their cutting-edge ideas. They were a Six Sigma shop all the way.

To rise above his predicament, we advised the CEO that he had to assert his authority, demonstrate leadership, and find a powerful, even symbolic way to create a connection with the people from the engineering and manufacturing side of the business. We suggested that he have a heart-to-heart talk with the head of manufacturing—one of those "we're either in this together, or you're going to have to find yourself another job" discussions. And we also advised that he put a short time limit on how long he'd wait for the head of manufacturing to demonstrate to people loyal to him that he and the chairman/CEO saw eye-to-eye.

"If you don't do that," we said, "even though you are the chairman/CEO, the company might reject you."

Needless to say, the chairman/CEO didn't like what we said. "This entire company reports to me," he answered. "And so does the board."

Unfortunately, the chairman/CEO followed his own path. He didn't confront the head of manufacturing and never tried to connect with the troops. He didn't demonstrate his appreciation for the design and quality of the products. In fact, he did the opposite. In a discussion with someone from

manufacturing, he said there was such a thing as “too much quality,” a statement that was repeated throughout the firm. To the CEO, too much quality was synonymous with too much expense.

The mood of the company, along with its stock price, continued to founder. Six months later, the board in closed session summoned up its courage and dismissed the chairman/ CEO, replacing him with a gruff, no-nonsense engineer everyone seemed to love. In less than a year, the engineer turned the place around. A year after that, the company was acquired at a significant premium by another company. The failure of the original chairman/CEO to create a sense of common purpose cost him his job. Even worse, it was most likely the reason the company’s stock had languished. Failing to create common purpose destroyed value.

Connecting doesn’t simply mean bonding with those you feel comfortable with—a sales rep with other sales reps. It means bonding with the organization as a whole. In some ways, being the leader of an organization—any organization—is like being the mayor of a small town, as Meg Whitman, former chair and CEO of eBay, once said. There are ward bosses who have to be schmoozed, voters who have to be romanced, opponents who have to be neutralized, independents who have to be converted. The whole town has to feel at one with you if it is to operate at peak levels of performance.

LEADERS VERSUS LEADERSHIP

Leaders are people who rise to prominence. But leadership is different. Leadership is about what leaders do. A leader who mistakes one for the other can suffer a dangerous fall.

Leadership is akin to a contract between the leader and the group. To use a tired analogy, if leaders are the captains of the ship, they sign a contract with the board of directors (or its equivalent, depending on the leader's level in the organization) and also with those who are furling the sails, coiling the ropes, hoisting the anchors, and sweeping the decks. It's those people—the deckhands and swabbies—as much as the board who can eject any leader from his or her job.

The contract that leaders sign stipulates they are to select the destination; plot a course to it; arrive with crew, cargo, and ship intact; and put down mutinies should they occur along the way. If the wind changes, they have to tack. But if the seas rise, they are not free to change destinations. They are hired to achieve a goal, no matter the odds.

While some leaders have become legends (Jack Welch, Lou Gerstner, Harvey Golub, Andy Grove) they did not sign contracts to glorify their names or create personal legacies. That's for a different type of leader. And besides, they know that visibility often means vulnerability. Rather, the type of leader I am describing signs a contract to do a difficult and sometimes dangerous job: piloting a ship to an agreed-on goal. If a leader becomes famous for doing his or her job, that's great. But it's not the goal.

One excellent leader, George M. C. Fisher, a mathematician and engineer, led Motorola from the backwaters of business to its heights by investing in cell phone technology and computer chip manufacturing. The company's stock value soared under his leadership, and it plummeted when he left. Next, he went to Kodak, where he transformed that company from a sclerotic manufacturer of film and related products into a digital imaging company. In both instances, Fisher was successful, but he had to overcome longstanding corporate vested interests. In both

instances, he also had to fight against powerful rivals (at Motorola, it was Intel, IBM, and Hitachi; at Kodak, it was Fuji Film).

When Fisher finished the job he signed on to do—position each company for the future—he quit. He left behind no statues in his own honor, no oil paintings of him in a suit, no corporate campus named after himself. There weren't any $50,000 coat racks or $1 million birthday parties. He just did his job.

LEADERSHIP GLUE

Great leaders not only must connect; they must develop a knack for sensing—for lack of a better word—the emotional tone of the group. True, there are incentives leaders can use like so many carrots and sticks. They can use money and other types of rewards, and they can use recognition, power, and promotions. Leaders can mete out punishments: dismissals, demotions, dressing-downs (the list is long). But these go only so far. Much more powerful than punishments or rewards is the way great leaders evoke the emotions of those they lead: love, hate, fear, courage, pride, empathy.

Not too long after Bill Clinton's term as president ended, I attended a small get-together with him and a few venture capital, high-tech, and media executives in Aspen. Here was a man still at the height of his powers who came to Aspen to discuss the situation in Rwanda with an interested and influential group (I was running a business at the time). But after a half-hour on that topic, one of the venture capitalists, a Republican, asked Clinton an off-topic question: Why were the Democrats so mean-spirited toward the Republicans? Granted, this was an off-the-wall, off-topic, and just plain strange question, given that Clinton was discussing Rwanda and what could be done to help Paul Kagame, Rwanda's

president, save his nation. But the venture capitalist asked the question nevertheless.

Now, I admire Clinton's thoughtfulness, ability, and intelligence. But when he received that question, he became a different man. He pointed his finger at the questioner, his voice quivering as he recounted everything negative the Republicans had done to him. He asked rhetorical questions: *Can you imagine what it was like to be investigated for six years about Whitewater when there was nothing there? He let loose with volleys of anger, invitations for empathy, even fear: Do you know what they did to my wife, Hillary? Can you imagine the toll it took on her? The pain she suffered? The time she wasted on those baseless charges?*

Clinton, a charismatic, empathetic speaker, used his emotions the way an orchestra conductor uses his baton: to arouse, manipulate, and control. Watching him that afternoon for a full thirty minutes was like listening to a Wagner opera. Clinton's emotional pitch was intense. It was filled with rhythmic cadences, long outpourings, and deeply felt themes. It was an emotional tour de force and it had all fifteen of us spell-bound—at first.

But then it became off-putting, and it started to make a number of us (especially those of us who liked Clinton) more than a little uncomfortable. Why? Because Clinton's operatic outburst was all about *him*, whereas great leaders use their command of emotions to make it all about *you*, all about *us*. And perhaps most important, Clinton's emotional outburst was way off-agenda. He had come to talk about Rwanda and ended up talking about himself. Worse, he had let someone else steal his agenda, shift the focus, and change the subject unproductively—something a leader must never do. For a man of Clinton's accomplishments, ability, and innate leadership skills, it was not his best day. Maybe he was jet-

lagged; perhaps he was tired. But everyone knew he could have done far better.

COMMON PURPOSE

Great leaders motivate people by building a sense of inclusiveness, which is how they connect with and become accepted by the group. They create a sense of we by using their emotions as well as other tools—ideas, arguments, numbers, and so on—in strategic and disciplined ways. A leader's authority derives from effectively balancing what can only be called the near-schizophrenic task of being a genuinely accepted member of a group, while having sufficient detachment to constantly adjust course. To do that, leaders must be conscious about which emotions to display and when to display them. They must use their full set of leadership tools to create common purpose, which is how one person impels another to act without directing that other person's every move. Common purpose is what turns *me into we*.

Common purpose is a force you can almost feel. It animates great companies and great movements, and it can be summoned to propel a politician forward. When cared for, nurtured, and protected, it produces an almost palpable sense of we that can be felt inside the company. It is the feeling that we're all in this together and that we all know and understand what to do, why we're here, and what we stand for.

Examples of common purpose organizations are exceedingly rare, but they can be found in all sectors and for each generation. NASA's Apollo Program is a perfect example. NASA achieved an impossibly audacious goal at the urging of President Kennedy in 1961. Kennedy challenged NASA to put men on the moon and bring them

back safely, and to do so within a decade’s time. Against all odds and against high levels of danger, NASA achieved its goal while the entire world watched.

This was more than just a big job well executed. Kennedy’s bold vision unified a nation and an organization around a goal. How audacious was it? In 1961, the United States was far behind the Soviet Union in the so-called space race. NASA was only three years old and was able only to shoot a man up into space and down into the sea, whereas the Russians had already put a cosmonaut into orbit around the earth. American rockets were primitive, computers were barely existent, and the word astronaut was still new. Not only that, but in 1961, there was no design for a rocket that could make it all the way to the moon. What made NASA succeed was that it put aside all its doubts and limitations, took out a clean sheet of paper, and decided as a group to succeed.

More recently, Pixar developed common purpose when it created an entirely new art form, a powerful culture, and an enterprise value equal to more than $1 billion per film—ten times the value of its nearest rival. Pixar created sufficient common purpose to develop its technology on a shoestring and survive ego battles with its alliance partner, the Walt Disney Company, all the while creating movies the entire world wanted to watch. Not only that, but when Pixar was finally sold to Disney in 2006 for $7.4 billion, one of the reasons that the venerable old mouse (as in Mickey) bought the digital company was to change Disney’s culture from stale and traditional to cutting edge and digital.

Google is famously a common purpose organization, having seeped into the global vernacular as a verb. It is a powerful and pioneering competitor with an outsized mission and an inspiring leadership team that brings together head and heart in the service of higher goals.

Harvey Golub, the legendary chairman and CEO of American Express until 2001, was responsible for turning around what had been a moribund company (when it was headed by James Robinson III) and making it into one of the world's most successful and admired firms. He did it, he once said, by doing only one thing: making all eighty thousand employees understand what the company's brand stood for. "If everyone understands that," he said, "we won't need thick employee manuals, management training programs, or pricing schedules for the services we sell. Everyone will instinctively do the right thing." Through common purpose, he was able to make the company's mission statement its brand, having employees and customers buy in to the American Express ethos of being the world's most respected service brand.

MAKING THE GOAL

Common purpose is the goal of great leaders and great leadership. It is the way a group of free agents is transformed into a cohesive, orderly group—an organization—aligned around a common set of goals in a way that makes defeat almost impossible. Common purpose made it possible for Burt Rutan's SpaceShipOne team to win an Ansari X Prize and for the success of the iPod. Common purpose infused early Obama supporters with hope and older Martin Luther King Jr. supporters with a dream. It sent men to the moon, and it was behind the heroism of the rescuers who entered the Twin Towers even as the buildings were coming down. Common purpose is not just a feeling; it is a force.

The easiest way to create a sense of *us or w*e—unfortunately—is to create the specter of *them*. Almost any leader can do this. Building we on the backs of them is what