How Centered Leaders Achieve Extraordinary Results

Executives can thrive at work and in life by adopting a leadership model that revolves around finding their strengths and connecting with others.

By Joanna Barsh, Josephine Mogelof, and Caroline Webb

For the past six years, we have been on a journey to learn from leaders who are able to find the best in themselves and in turn inspire, engage, and mobilize others, even in the most demanding circumstances. And the business environment has become more demanding: the global financial crisis and subsequent economic downturn have ratcheted up the pressure on leaders already grappling with a world in transformation. More than half of the CEOs feel that their organization must fundamentally rethink its business model.

The authors conducted a research with 140 leaders, through which a set of five capabilities were distilled that, in combination, generate high levels of professional performance and life satisfaction. These set of capabilities were described, which were called “centered leadership.”

Five dimensions of leadership

Five capabilities are at the heart of centered leadership: finding meaning in work, converting emotions such as fear or stress into opportunity, leveraging connections and community, acting in the face of...
risk, and sustaining the energy that is the life force of change. A recent survey of executives showed that leaders who have mastered even one of these skills are twice as likely as those who have mastered none to feel that they can lead through change; masters of all five are more than four times as likely.

**Strikingly, leaders who have mastered all five capabilities are also more than 20 times as likely to say they are satisfied with their performance as leaders and their lives in general.**

While such results help make the case for centered leadership, executives seeking to enhance their leadership performance and general satisfaction often find personal stories more tangible. Accordingly, as this article revisits the five dimensions of centered leadership—and their applicability to times of uncertainty, stress, and change—experiences of current or former CEOs of major global corporations, are shared.

**Meaning**

We all recognize leaders who infuse their life and work with a sense of meaning. They convey energy and enthusiasm because the goal is important to them personally, because they are actively enjoying its pursuit, and because their work plays to their strengths. The survey results show that, of all the dimensions of centered leadership, meaning has a significant impact on satisfaction with both work and life; indeed, its contribution to general life satisfaction is five times more powerful than that of any other dimension. Whatever the source of meaning (and it can differ dramatically from one person to another), centered leaders often talk about how their purpose appeals to something greater than themselves and the importance of conveying their passion to others.

**Sharing meaning to inspire colleagues requires leaders to become great storytellers, touching hearts as well as minds**

The skills, requiring leaders to become great storytellers, are particularly applicable for executives leading through major transitions, since it takes strong personal motivation to triumph over the discomfort and fear that accompany change and that can drown out formal corporate messages, which in any event rarely fire the souls of employees and inspire greater achievement.

Avon Products CEO Andrea Jung described how meaning and storytelling came together when her company faltered after years of rapid growth. Andrea rejected the “more efficient” approach of delegating to managers the responsibility for communicating with employees about the restructuring and of sharing information only on a need-to-know basis. Instead, she traveled the world to offer her teams a vision for restoring growth and to share the difficult decisions that would be required to secure the company’s future. The result? Employees felt that Andrea treated them with honesty and humanity, making the harsh reality of job reductions easier to accept and giving them more time to prepare. By instilling greater resilience throughout the organization, Avon rebuilt its community and resumed growth within 18 months.
Connecting

With communications traveling at warp speed, simple hierarchical cascades—from the CEO down until the chain breaks—are becoming less and less effective for leaders. For starters, leaders depend increasingly on their ability to manage complex webs of connections that aren’t suited to traditional, linear communication styles. Further, leaders can find the volume of communication in such networks overwhelming. While this environment can be challenging, it also allows more people to contribute, generating not only wisdom and a wealth of ideas but also immeasurable commitment.

CEOs have always needed to select exemplary leadership teams.

CEOs must be adept at building relationships with people scattered across the ecosystem in which they do business and at bringing together the right people to offer meaningful input and support in solving problems.

Macy’s CEO Terry Lundgren learned firsthand about the power of connecting the internal community in 1988 when, 15 months after joining the retailer Neiman Marcus, he became its president and CEO. Shaking things up was core to his role: “I was one of the first non-Marcus family members with that title for any extended period of time.” Employees greeted him with widespread skepticism. “They were all thinking, ‘Who is this 37-year-old guy who is going to tell us how we should run our fantastic business?’” So Terry held a town hall meeting in the library across the street from company headquarters, in downtown Dallas. He invited anybody who wanted to come. The first time, he recalls, “I had only about 30 people show up! I thought it was going to be a little bit bigger than that, but I tried to be very direct and use the time mostly to listen and respond.” He kept holding meetings, noting that “it really moved the needle quickly in terms of getting things done in that company.” By the time Terry left, the twice-a-year meetings filled a 1,200-seat auditorium.

Today, as Terry leads Macy’s, he connects the dots internally and externally in many ways, from scheduling a monthly breakfast with new managers to forming relationships with peers who have led companies through change. Terry has also emphasized corporate connectivity, regrouping Macy’s stores into 69 districts, each tasked with creating “My Macy’s” for its customer base. Terry’s top team believes its efforts to connect managers more closely to one another and to customers, through enhanced information sharing and product offerings tailored to local needs, help explain the company’s trajectory.

Engaging

Of survey respondents who indicated they were poor at engaging—with risk, with fear, and even with opportunity—only 13 percent thought they had the skills to lead change. That’s hardly surprising: risk aversion and fear run rampant during times of change. Leaders who are good at acknowledging and countering these emotions can help their people summon the courage to act and thus unleash tremendous potential.
The responsibility CEOs feel for the performance of the entire organization can make the very notion of supporting risk taking extremely uncomfortable. What’s more, to acknowledge the existence of risk, CEOs must admit they don’t, in fact, have all the answers—an unusual mind-set for many leaders whose ascent has been built on a virtuous cycle of success and self-confidence.

For many leaders, encouraging others to take risks is extremely difficult.

Doug Stern, CEO of United Media, has a number of ways to help his people evaluate risks and build their confidence about confronting the unknown. Because he has seen the destructive impact of anxiety, Doug follows an explicit process anytime he’s facing a new, risky project (for example, selling some of his company’s assets). The process helps everyone prepare by devising risk mitigation strategies using these steps:

- asking the team to imagine every bad scenario, even the most remotely possible—what he calls the “darkest nightmares”
- giving everyone a chance to describe those scenarios in detail and then to “peer into the darkness” together
- devising a detailed plan for countering each nightmare—in effect, rehearsing the best collective response to each potential issue

Once fears have surfaced and been dealt with, the team has a protocol in place for every worst possible scenario and a set of next steps to implement.

Managing energy

Sustaining change requires the enthusiasm and commitment of large numbers of people across an organization for an extended period of time. All too often, though, a change effort starts with a big bang of vision statements and detailed initiatives, only to see energy peter out. The opposite, when work escalates maniacally through a culture of “relentless enthusiasm,” is equally problematic. Either way, leaders will find it hard to sustain energy and commitment within the organization unless they systemically restore their own energy (physical, mental, emotional, and spiritual), as well as create the conditions and serve as role models for others to do the same. Our research suggests sustaining and restoring energy is something leaders often skimp on. Centered leadership is a journey, not a destination, and it starts with a highly personal decision.

“Our senior team is always talking about changing the organization, changing the mind-sets and behavior of everyone. Now I see that transformation is not about that. It starts with me and my willingness and ability to transform myself. Only then will others transform.”

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