
----- WHAT'S UP, DOC? -----

Vol. 5, No. 9; September 2005; Copyright 2005 by A. J. Schuler, Psy. D

"Creating Leadership Solutions for Profit and Growth"

THIS MONTH'S THEME: TEN THINGS LEADERS MUST KNOW
(PART 2 OF 2)

Here's the second part of the Ten Things Leaders Must Know, begun with [last month's newsletter](#). I probably don't need anymore introduction than that, so let's get to it!

SUBSCRIPTIONS INCREASE SINCE JAN 1, 2005: 33%

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THIS MONTH'S QUOTES:

"Tact consists in knowing how far to go too far." -- Jean Cocteau

"A stiff apology is a second insult. The injured party does not want to be compensated because he has been wronged; he wants to be healed because he has been hurt." -- G.K. Chesterton

"We now accept the fact that learning is a lifelong process of keeping abreast of change. And the most pressing task is to teach people how to learn." -- Peter F. Drucker

1. TEN THINGS LEADERS MUST KNOW (PART 2, POINTS 6-10)

6. SENIOR LEADERS MUST TEACH JUNIOR LEADERS HOW TO GET THAT EXTRA 40% OF EFFORT

Last month, we examined the difference between motivators and satisfiers for working people. If leaders do more than satisfy people, they can earn an extra level of productivity from them. We described that extra burst of productivity as being about 40% of any person's talent, focus and dedication. People donate this discretionary 40% to their organizations based on how their leaders treat them. It follows then, that the primary job of any senior leader is to develop junior leaders so that these junior leaders can earn that extra level of talent, creativity and dedication for their people. The primary job of senior leaders is not merely to watch the financials: if the people are not productive, the financials will be bad. The primary job of senior leaders is not just to set strategy: if the players on the team are not energized and well coordinated, then no strategy, however purely conceived, will be effective. The primary job of senior leaders is not even to show junior leaders how a given senior leader operates, by example: examples are helpful, but senior leaders should understand enough about leadership to help their juniors discover and develop their own effective styles. To build an effective, highly performing organization, senior leaders must become experts in the development and cultivation of junior leadership talent and practice.

7. LEADERS ARE ARCHITECTS OF TALENT

I once knew a terrific, successful architect who told me that great architecture begins with a great understanding of materials. I was taken aback: I had expected him to tell me design was primary. "No," he replied. "Great design comes from an understanding of materials, and without that, no design can be great." I found that interesting, and it provides an apt metaphor when discussing the building of organizations. Leaders are organizational architects, and the material they use to build organizations is talent. Talent comes packed in units (people), and leaders use their assessments of talent to puzzle together a high functioning organization. Everyone has "weaknesses," but leaders assemble talent in such a way that the weaknesses of individuals become irrelevant: each person is placed into the structure in such a way that their greatest abilities are maximized, and their weaker areas just get filled in by another person. In this sense, leaders are architects of talent. I do not mean to minimize the importance of strategic intelligence: strong leaders must have this ability and must know their industries and customers at a high level, so that talent is assembled to move in the right direction. But in my opinion, our professional business curricula emphasize strategic and financial intelligence rather well, and most leaders seem less well prepared to understand their roles as talent architects. Taking a few courses in

human resources does not seem to be quite adequate in the real world of leadership.

8. THE LEVERAGE OF LEADERSHIP

Ok, lets look back at what I've described so far about human productivity: the best performers greatly outpace the productivity of average performers, especially as job complexity increases, and all people hold a reserve of their productive capacity based on how they are led. Thinking of all of that, imagine the multiplier effect in terms of productivity for an organization that leads people well, picks the right people and assigns them the right kind of work, based on their talents. Well led organizations, often using fewer people, can run circles around organizations that are average, let alone ones that are led by sub par leaders and leadership practices. Dr. Schuler's First Law of Talent Dynamics is this: the greatest leverage any organization has to outpace its competition comes through excellence in leadership. Putting the right people in the right jobs, especially excellent performers, can give you three times the output of an average, comparable organization. Leading these people well gets you an extra 40% of each person's productive capacity. As you multiply those effects over larger and larger groups, the dividends expand exponentially. But many large organizations become so bogged down by bureaucracy and inefficiency that they are less productive than smaller groups who are better led. It does not have to be that way.

9. THE PERSONAL JOURNEY OF THE LEADER

One of the reasons leadership is hard for business curricula to teach is that leadership capacity is not just based on intellectual acumen, but also on emotional intelligence. Emotional intelligence – or wisdom – comes not primarily from books or lectures but from experience, reflection and guidance over time. Leaders become great through experience over time. Yes, there are natural leaders, but even they, from my experience, become great through a developmental process. Often they are able to recruit into their own lives those who can give them the right guidance and perspective. Emotional learning comes through relationships and experiences, and not from books. Sometimes, great leadership is born through a kind of crucible experience of great adversity. This can give a leader the experience of overcoming great odds, which builds a kind of unshakable interior calm and confidence. This confidence and survival know-how can then be used to guide and shepherd others through their own challenges. Leaders are not people who have never failed, or who have necessarily lived unblemished lives. The difference is, leaders learn from these experiences, sometimes painfully, and then become firmer in their commitment to operate from a strong moral center. At

least, that's what the best ones do.

10. INVESTING IN LEADERSHIP

I make this last point almost apologetically, because it will appear to many to be self-serving. I am about to tell you, following the series of propositions I have laid out for you over the last two months, that organizations and individual leaders have a powerful opportunity to maximize their productive capacity by making smart investments in the development of leaders, talent selection and talent development. In fact, I've just told you. And yes, I am in the business of providing precisely those things to clients, either directly or through some business allies. In my defense, if accused of making a self-serving statement, I offer this: I would not be in this business if I did not believe in it, and if I did not have experience with the real impact doing this stuff well has on organizations and on people's lives.

Before I studied psychology, I was a business school guy: I'm interested in helping organizations and people realize their potential in the real world. If my perspective in these last two months is flawed, then it is flawed somewhere in all the premises I have laid out for you: I welcome arguments that seek to identify how and where I am wrong, and I will publish them in this newsletter, if I get any. But the point is this: to make your organization great, pay attention to what I've set out for you these last two months. You can contact me or anyone else about how to put these principles into action. I'll have my beliefs about how to do that well, and other very able people will have valid ideas as well. In the end, my argument here is not any different from the one offered in the best-selling, widely acclaimed book [Good to Great](#). If you want me to help you or your organization, email me or call me. If you want someone else, that's fine too (as long as they are good – remember, selection matters, and that includes people like me and whatever processes we bring to the table!). But please, think about what I've laid out for you these last two months. Figure out how to invest in leadership and leadership development in the best ways you can, because it will make a difference for you, the people around you and your bottom line results. Best of luck to you!

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information is conveyed in quick bits, the way you might find in any edition of USA Today.

To purchase your copy of “99 Negotiation Nuggets for Winners” at a 10% Discount for “What’s Up, Doc?” subscribers, just click [here](#).

2. LESLIE MORGAN STEINER LEADS AND WRITES

Here’s the [link](#) to another of my recent articles online. This series is dedicated to conversations with interesting, engaging people who make a difference through their work and leadership. Enjoy!

3. RECOMMENDED BOOKS AND ENTERTAINMENT

BOOK: “The Best and the Brightest” by David Halberstam, Ballentine Books, New York, 1993 (20th Anniversary Edition).

A classic case study, extraordinarily written, which remains as fresh and relevant today as it was at the time of its original publication. David Halberstam walks the reader through an autopsy of a leadership culture so overconfident in its wisdom and rightness, and so tragically divorced from the moral impact and strategic wisdom of its actions that it lead and sustained the United States through a war it could not win. Aside from the political implications of the work, the book functions as a study in how groupthink, overconfidence and flawed if human motives brought about human tragedy and mendacity. Any senior leaders should study and understand the lessons of this book. It reads almost like a suspense thriller. Would that it included more heroes! Find out more about the book [here](#).

FILM: “The Fog of War,” available in DVD.

Robert McNamara was the U. S. Secretary of Defense under President Kennedy and under President Johnson, until Johnson removed him over their differences in whether or not to continue the war in Viet Nam. McNamara’s actions figure centrally in David Halberstam’s book above,

and the picture there is anything but flattering. This extraordinary documentary is of an interview with McNamara as he reviews his career and life's work. McNamara has the look of a man haunted by his past, and trying to come to terms with how to view himself. He does not come across as morally obtuse or utterly blind, and yet, he does not take full and open responsibility for the results of his actions and advocacy over the earlier part of the war years. He tries to place his life and work in a fuller context – emphasizing some of his nobler accomplishments in promoting automobile safety and later work at the World Bank. After leaving the Department of Defense, he seems to have constructed his career to offer a kind of public penance, an attempt to do good after such cataclysmic failure.

How are we to view such a man? 58,000 names on a memorial in Washington, DC represent the dead who could have lived had McNamara taken a wiser stand in the 1960's, blinded as perhaps he was by some combination of overconfidence, ego, arrogance and personal sense of duty. 100,000 Japanese civilians were incinerated during World War II as the U. S. firebombed Japanese cities, a strategy developed in part by a young McNamara. And of course, there are the civilian dead and injured in Viet Nam to consider, who vastly outnumber U. S. war dead. McNamara comes across in the interview as penitent, intelligent, still brash and finally unwilling wholly to take responsibility for all his actions and their effects. Though his mind is as sharp as ever, he comes across, to me at least, like a ghost of a man haunting his own body, at once drawn to look at his life and yet unable to look at all of it head on. That perhaps is to be expected, given the enormity of what his actions have brought about. And it may be true that his actions in leading the World Bank over two decades saved many lives across the world. The film challenges the viewer to form an opinion of this man, but I offer this compelling documentary to you as a way to examine what happens to a person when hubris or youthful ambition blind a leader to the effects of his or her actions. I say above that good leaders learn from their mistakes, and need not be perfect people. In my mind, McNamara falls short of taking full responsibility for his actions in public, and since his office was a public one, it seems to me such an open taking of personal responsibility is required to pass the great test of leadership, even if he did later perform well at the World Bank (a matter I have not examined). Though the film is essentially of an interview, it is far from boring. It is compelling. [Check it out.](#)

4. CHUCKLES

It's back to school time:

A college business professor could not help but notice that one of his students was late to class for the third time that week. Before class ended he went around the room asking students some questions about the day's lecture. Of course, he made sure to pick on his tardy pupil.

"And who was it that developed the theories behind communism?" the professor asked.

"I don't know," the student said.

"Perhaps if you came to class on time, Mr. Reebbs, you would know," said the professor.

"That's not true," the student replied. "I never pay attention anyway!"

5. PROMOTE YOUR OWN GROWTH

You don't have to live near the Schuler Solutions main office in Alexandria, Virginia to benefit from my coaching services. Great work can be done for your own growth and development over the phone and through document review via email. To find out more about your coaching options and available coaching plans, just click [here](#) now.

6. ABOUT DR. SCHULER

A. J. Schuler, Psy. D., an expert on leadership, negotiation and organizational change, provides consulting services, keynote presentations and seminars for client companies. His trademark is highly personalized service that leads to measurable increases in productivity, profit and growth. He also provides personalized leadership education and coaching for highly motivated clients.

Dr. Schuler, President of Schuler Solutions, Inc., has served diverse organizations in the private and public sectors, including The Ritz-Carlton Hotel Company, Sony Development, Nomura Securities and the Executive

Office for Immigration Review.

A graduate of the Wharton School of Business, Dr. Schuler has successfully led the profitable growth of a dynamic, international consulting firm while serving as Operations Director, and has successfully coached over five hundred CEO's and corporate executives.

7. HOW TO SUBSCRIBE OR UNSUBSCRIBE

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8. NEWSLETTER STATEMENT OF ETHICS

NEWSLETTER ETHICS: This e-Newsletter will be sent to subscribers only upon REQUEST, though subscribers may forward this letter to anyone they wish. Subscriber identities or contact information will NOT BE DISCLOSED to any other persons or entities under any circumstances. (An attorney friend recently pointed out that, technically, I'd have to give up my list if compelled to do so by a court of law. He's technically right, of course, but let's face it: that won't happen!)

Have a great month. . .

A. J. Schuler, Psy. D.
Schuler Solutions, Inc.

"I work with leaders who want to grow their businesses, and with meeting professionals who want to create great events for their audiences."

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“Make each day your masterpiece.” -- John Wooden

P.S. - Remember to send in your comments and successes, and to forward this newsletter to at least one friend! Thanks . . . AJS