

**'Real advice to help you become
a skilled and authentic leader.'**

Ian Powell, Chairman and Senior Partner,
PricewaterhouseCoopers, UK

INSIDE THE LEADER'S MIND

**Five ways to
think like a leader**

Liz Mellon



PUBLISHING
FINANCIAL TIMES

Praise for **Inside the Leader's Mind**

'I believe in leadership books that offer practical advice. *Inside the Leader's Mind* achieves this in three ways. It allows aspiring leaders to share the real experiences of successful CEOs and chairmen and women. It also raises awareness of the issues that new leaders will face, and it's always better to go into new situations with your eyes wide open. And finally, and most importantly, it offers real advice on how to build your own authenticity as a leader. This book doesn't tell you how to be like someone else, who is already a famous leader. It helps you to become a skilled and authentic leader in your own right. For me, this ranks alongside Goffee and Jones' book *Why Should Anyone Be Led by You?* in its capacity to offer helpful guidance to leaders.'

Ian Powell, Chairman and Senior Partner,
PricewaterhouseCoopers, UK

'At blackswan, we believe in business transformation through innovation. This fresh look at how a leader thinks hits squarely into our own belief system. Unless business leaders are comfortable with the uncertainty and risk taking that underpin successful innovation, nothing changes. *Inside the Leader's Mind* addresses this head on. These five ways of thinking like a leader are so obvious it is a wonder someone hasn't thought of them before. Follow this advice and you will become a better leader.'

Maurice Duffy, CEO, blackswan

'Leadership matters in all walks of life, from companies to NGOs to nations. It makes a difference. For me, the most important message in *Inside the Leader's Mind* is that leaders need a solid core; a reserve of instinct, experience and integrity that lead them to do the right thing.'

Phumzile Mlambo-Ngcuka, Former Deputy President of
South Africa

Inside the leader's mind

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To Gary and Alexis

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Acknowledgements

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What I discovered in this process is not just how generous they are – but also how thoughtful. Each of them spent our time together to delve into their personal beliefs and deeply held values. Crystallising and continuing to develop their views about leadership is important to them and they found it worth spending time on. I admire their energy, openness and commitment to learning.

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every day ‘How’s the book coming? Oh, good!’ Tim Last, Rosemary Mathewson, Devin Bigoness and Ian Turner introduced me to some of their favourite leaders.

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I have had such fun writing this book. Meeting new people, engaging in good quality debate and then sitting quietly, letting my thoughts evolve. I have discovered that I have endless patience for working and reworking ideas that I care about – I become engrossed for hours.

I shall miss the dogeared notebook that I have carried with me everywhere – literally, it has not left my side. And in the spirit of *on my watch*, let me close with a look to the future. I am already looking forward to the next book – with my daughter.

Foreword

LIZ MELLON CHALLENGES a central orthodoxy in the field of leadership development. Construct a list of leadership *behaviours* that are universally admired and consistently measure individuals against that list. They will eventually become highly effective leaders. In believing that we have found the holy grail, we have overlooked one of the most critical sources of a leader's competence – how they think. After all, how I think determines how I will act. So let's put the horses in front of the cart.

To help us understand how leaders think, Liz takes us into the minds of senior-most leaders who are succeeding in roles that are among the most demanding in today's fast paced world. Using rich examples, she lays out each of the states of mind that are trademarks of these remarkable individuals. As a reader, it is a privilege to peer into the minds of these masters of leadership and to learn from them. You will get a textured picture of how they really do think differently from many managers. For many of us, these states of mind will be challenging even to entertain. Yet they are products of the reality that enterprise leaders face every day – worlds so complex, so dynamic that even the most rigorously composed bar and pie charts cannot provide clear answers.

Two of the mind states deeply reflect the demands of our hyper-competitive global landscape – *no safety net* and being *comfortable in discomfort*. The first is a high wire act. As a senior leader, you have to have the courage to step out first on the high wire – the wire of change, the wire of future opportunity. It is a wire with no net to capture

you underneath. You could fail. The odds are good that at a minimum you will face significant setbacks. On the other hand, you realise that nothing will happen within your organisation unless you make that first move. Liz will powerfully remind you that you cannot delegate away change leadership to a group of middle management or front line leaders. It must start with you. As Liz importantly notes, this state of mind is not an impulsive one. It is a state where you have done your homework. You have listened to wise counsel. The second mind state – *comfortable in discomfort* – is a necessity in a world where you always have imperfect and incomplete information. Successful top leaders have learnt to love ambiguity rather than be frozen by it. You and I have to learn to move forward, to be decisive in a world where multiple solutions may work. These are not easy states of mind to cultivate. If you have been rewarded for rigorous analysis and meeting your ‘plan’ year after year with great precision, these mind states will seem foreign.

The third state of mind – *solid core* – captures the fact that leaders must have character, integrity, and a sense of humility. If you are going to lead well, you must be grounded in a set of core values that ensure your decisions and actions are consistent and that they set standards that others aspire to. Liz makes a wonderful comment about the fact that when managers in the business world are asked to identify leaders they turn to societal leaders like Mandela or Gandhi, not business leaders. Why? It is because they are exemplars of a society’s greatest values. They live out in remarkable ways codes of conduct we hold dear. In an age where our images of business executives are shaped by cartoons such as Dilbert and TV shows like *The Boss*, you can begin to grasp why we hunger for the business leaders who possess genuine character and humility. Humility is one of a leader’s greatest allies. It keeps you open to learning and keeps the sycophants at bay.

The fourth and fifth states of mind – *on my watch* and *I am the enterprise* – are about institutional leadership. I love Liz's notion that senior-most leaders have to think in terms of their organisation's past, its present, and its future. These are the three 'time zones' you lead across. Given daily demands, it is all too easy to imagine yourself in the middle zone – the present. I see all too many executives lost in this zone. It is rare to find the executive who is thinking out five years to a decade. It is rare to see the executive who is courageous enough to make short-term sacrifices that in the longer run ensure a healthy future for their organisation. This mindset also depends on the fact that you recognise your own mortality. As a result, you start developing the next generation to replace yourself as soon as you step into the role. The *I am the enterprise* state of mind is a bit of a contradiction. While you need humility to lead, you also need a robust ego. In Buddhism, there is a story that captures the paradox. A young monk asks a very wise and enlightened monk about the path to enlightenment. The wise monk says simply that one needs ego to even believe one can make the journey to enlightenment. Ego not only gets you started on the road, it gives you the determination to persist. But just before you can achieve actual enlightenment, you must give up your ego. You need the self-confidence and resilience that comes with the *I am the enterprise* mind state to even assume you can lead a global enterprise. But to stay adaptive in that journey, you will also need humility to change course at critical junctures. The *I am the enterprise* mindset also pushes us to accept accountability for not only our own actions but those of the organisation. The 'I' also powerfully reminds us that we set the example, that our actions set the tone and the standards. After all, these will be the measuring sticks that our employees use to assess our leadership. At the same time, can you accept the fact that the enterprise is more important and more enduring than you are? This book highlights that

leading at the top is full of paradoxical states of mind. But exceptional leaders are able to keep these states in a healthy tension with one another.

My hope is that Liz Mellon's book will make you feel uncomfortable. That's exactly what she is hoping too. If you can get accustomed to that state by the time you finish reading this provocative and inspiring book, you will have achieved at least one of the mind states you need to succeed as a leader.

Jay A. Conger

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McKenna College, California*

Visiting Professor, London Business School

*Author of Boardroom Realities and The Practice
of Leadership*

Introduction

I never thought I would write another book on leadership. So why was I compelled to do so?

After all, a reservoir of ink has been spilt on the subject. Everyone has an opinion about what leadership is. We may not be able to agree on a description, but, like fine art, we all know a good leader when we see one. If you are in the spotlight as a leader, everything you do is dissected. And in today's globally wired world, we don't miss a thing.

And let's be clear – leadership is universal, whether you are the chief executive officer of a global company or the director of a local volunteer charity organisation. It makes a difference to lives and to organisations.

Leaders, would-be leaders and researchers have mulled this over for years. We've thought about the personality of a leader and we have concluded that personality alone can't explain why one person is a leader and another person is more likely to be a follower. We've spent a lot of time thinking about how a leader behaves, too. There is a profession that is dedicated to producing lists of leadership behaviours, so that we can literally measure effective leaders by watching them in action.

What is missing?

Yet, after 25 years devoted to leadership development, working throughout the world, I had a nagging feeling that something was missing. Somehow, I thought, we still haven't captured the essence of leadership.

I wasn't alone. Many leaders shared my views. In classroom session after classroom session, as I debated leadership with highly skilled, thoughtful and effective executives – all practising leaders – we constantly returned to a handful of important questions:

- Aren't some leaders naturally born to the task with innate qualities, which work and life experiences bring to the fore?
- If leaders can be developed, and we think we know which behaviours they should demonstrate, don't we risk producing clones?
- How does being developed to a menu of behaviours fit with authenticity? Isn't being true to yourself, the real you, a vital characteristic for every leader?
- Why do about 60 per cent of leaders derail?
- Where do morals, ethics and good character fit into all of this?

For all the books and all the analysis, the questions surrounding leadership are substantial and important. As I have tried out these questions and discussed them with leaders all over the world, I have, slowly but surely, seen a new idea emerge.

We have overlooked how leaders think. Yet it is how we think that determines if and how we act. And I have found that effective leaders, irrespective of race, age or gender, think in remarkably similar ways.

Inside the Leader's Mind is your guide to my global journey, my restless questioning of leaders and the resulting ideas which, I hope, will accelerate your own leadership journey.

Liz Mellon, London, November 2010

1

chapter

Five ways of thinking like a leader

Let's cut to the chase. The reason we can't capture the essence of leadership is because we have focused too hard on behaviour – naturally enough, because it's easy to see and measure.

What we have overlooked is how leaders think.

This became clearer and clearer in the hundreds of hours of conversation I had to form this book. As the conversations progressed and I started to make sense of them, I began to hear a different pattern of ideas from those who were at the top, or destined for the top.

Successful careers are built on a mixture of experience and skills, but that combination is not enough. And it is incredibly hard to capture the full range of behaviours that in different combinations equate to leadership – the variety of human nature is just too broad. Behaviour alone cannot forecast good leadership.

the most successful leaders think in remarkably similar ways

What I found is that the most successful leaders think in remarkably similar ways: in five remarkably similar ways, in fact.