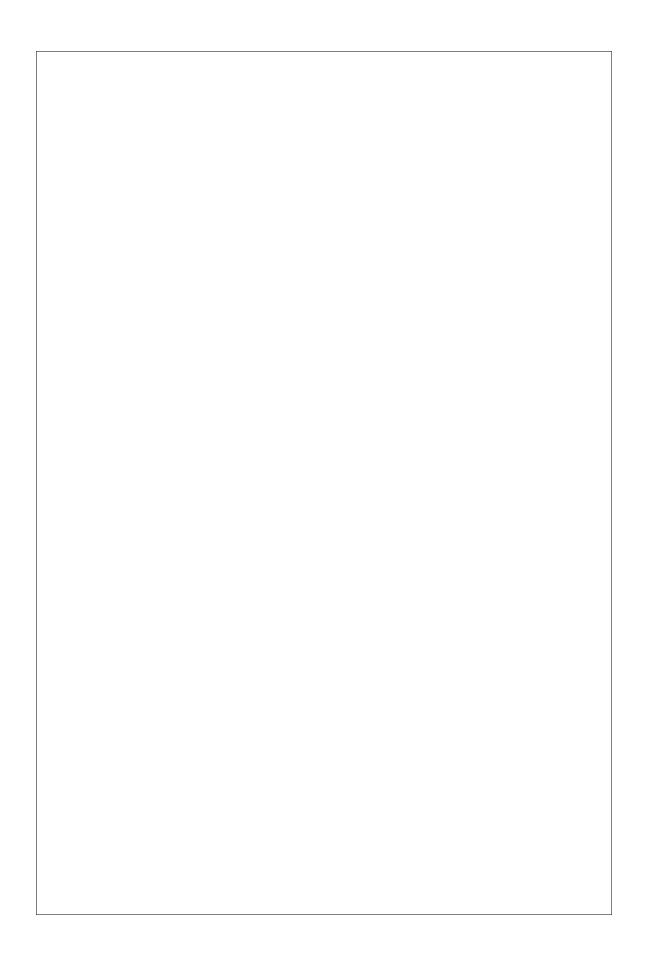
## The Rabbi and the CEO

The Ten Commandments for 21st Century Leaders



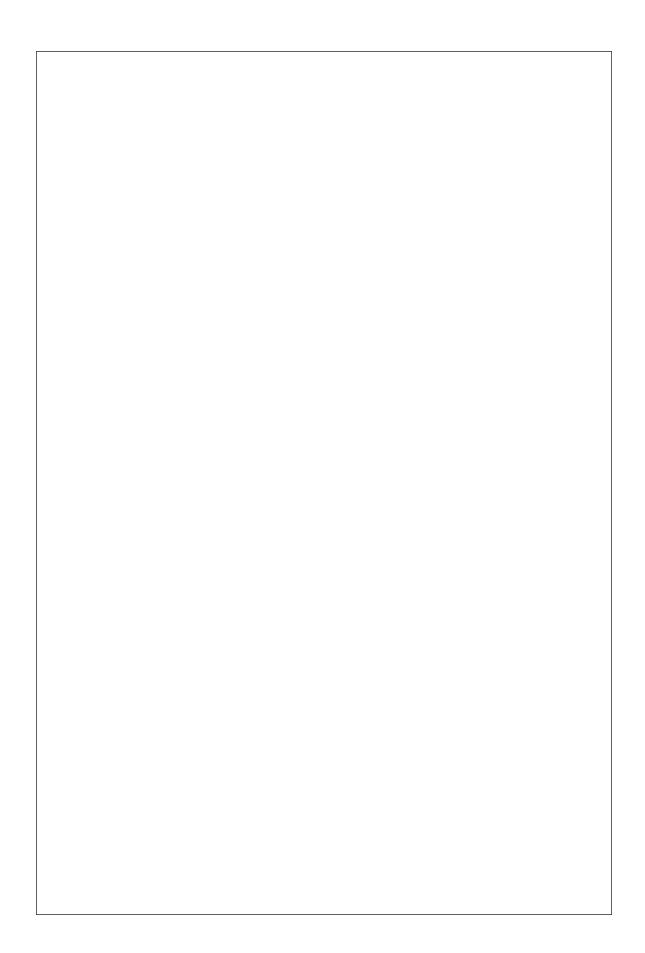
# The Rabbi and the CEO

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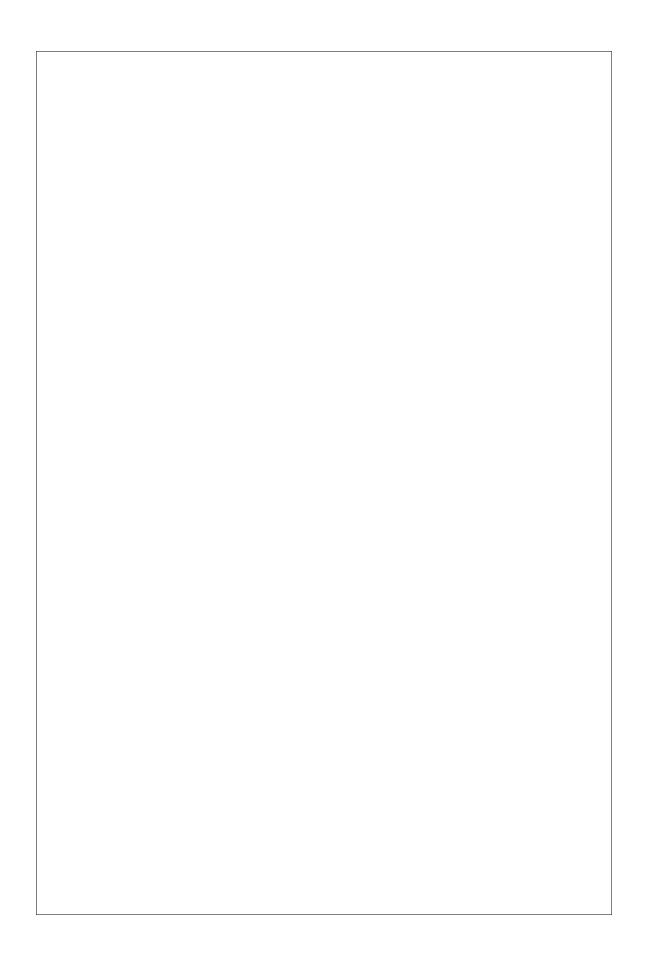
Dr. Thomas D. Zweifel (CEO) Aaron L. Raskin (Rabbi)

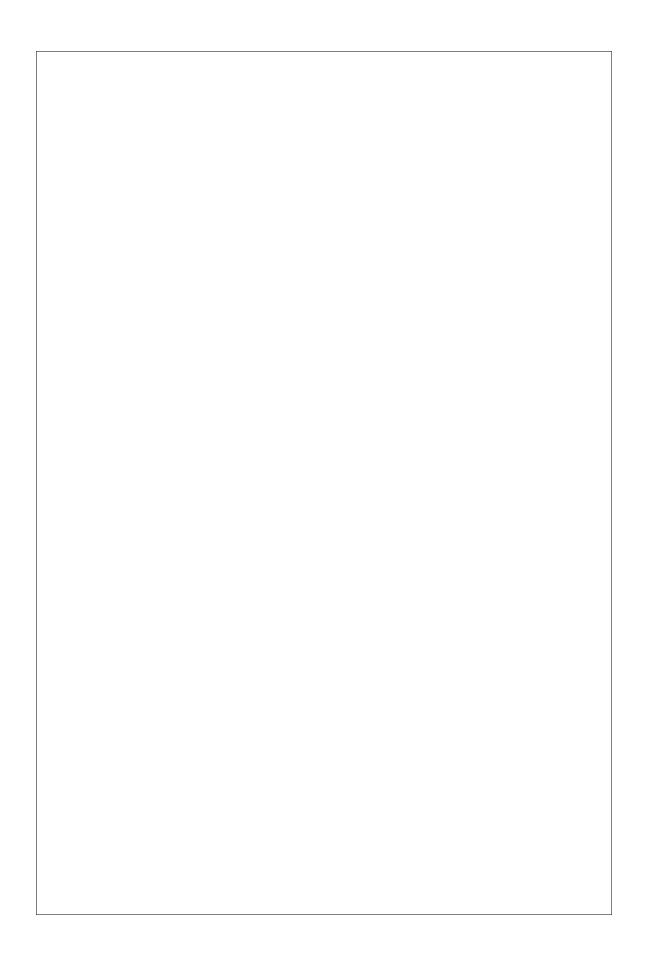
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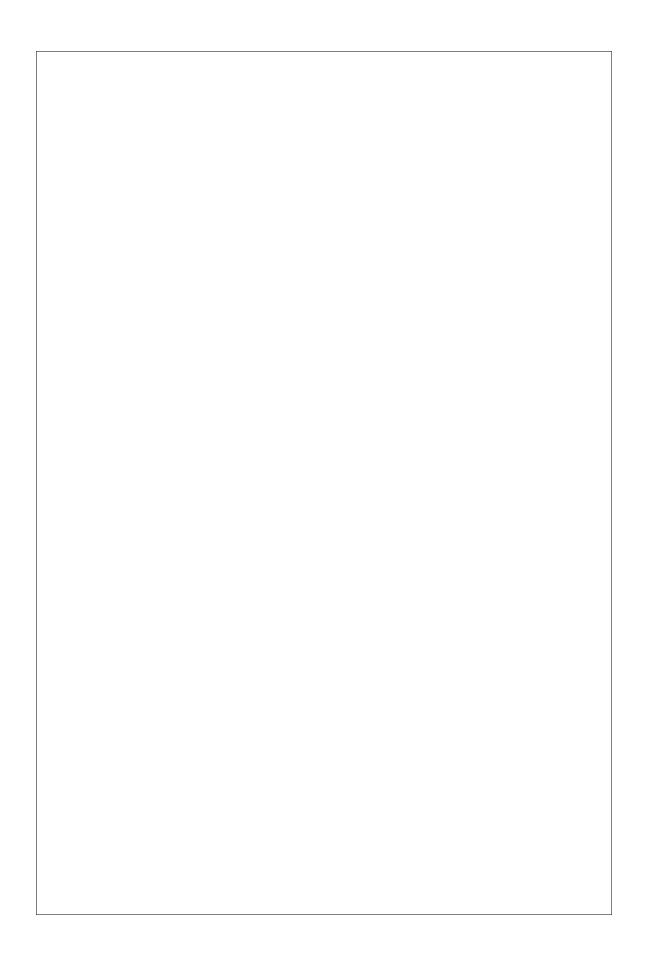
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## Why the Ten Commandments for 21st Century Leaders?

Again and again
someone in the ground wakes up,
he has no ground in the crowd,
and he emerges
according to much broader laws.
He carries strange customs with him
and demands room for bold gestures.
The future speaks ruthlessly through him.
—Rainer Maria Rilke

This book would probably not have come into being were it not for a perfectly clear day in September 2001, an Indian-summer morning when the sky was deep blue. I (the CEO) was sitting on the Brooklyn Promenade—alone except for a few runners and dog walkers— and reading Michel Houellebecq's *Les Particules Élémentaires* when I looked up at 8:46 a.m and saw something I had never seen before: A plane hit the World Trade Center. Smoke and millions of tiny metallic glitters were in the air; a light wind swept them toward me. The glitters turned out to be countless papers, documents flying across the East River. One of them was a page from a civil law book, blackened on all four sides. Another was a FedEx envelope with a contract that someone had just signed a few minutes earlier.

About a half-hour later another plane flew in from Staten Island, right over the Statue of Liberty. It flew low and accelerated head-on toward those of us now gathered at the Promenade. It banked like a fighter plane, its dark underbelly visible—a terrifying sight that you usually see only in war zones or in movies. Suddenly the plane ducked

behind a skyscraper, and a moment later disappeared into the South Tower. By this time there were about a dozen people watching, speechless and transfixed. I called as many people as I could on my mobile phone, but got through only to my parents' answering machine in Sydney before my phone went dead. Then I saw one tower collapse, then the other. My knees gave in; I staggered to a bench, sat down, and wept. It was hard to breathe.

Like so many others, the only productive thing I could think of doing was to donate blood. It seemed a drop in the bucket. That day of calamity, and the days and years following it, exposed the most pressing issue of our time: Leadership is in a crisis. The Pentagon, FBI and CIA were all ill-equipped for terrorist attacks or even for reading the writing on the wall. But the crisis affects organizations in all sectors: government agencies, nongovernmental organizations, and international organizations whose leaders struggle with mega-issues like economic volatility, climate change, poverty, or AIDS that transcend national and organizational boundaries. And not least, the crisis is shaking the private sector. When Enron and Andersen, Worldcom and Swissair all collapsed within a year of 9/11, they were just harbingers of things to come. Today, despite an abundance of leadership books (a search on Amazon.com yielded 191,530 hits), the leadership crisis continues unabated. Look at the big challenges facing companies today: Turbulent change such as a U.S. subprime mortgage crisis that threatened to plunge the economy into a recession and led Bear Stearns to fall from a record high of \$171 a share in January 2007 to near bankruptcy (in 2008, JP Morgan Chase, with heavy lifting by the Federal Reserve, agreed to buy the venerable investment bank for \$10 a share); unrelenting pressure for results and corruption born of greed; post-merger pains and a deteriorating labor market ever since the 2000 dot-com crash; culture clashes and threats from India and China; lack of strategy alignment, loss of morale, and brain drain. What do all these issues have in common? Our (the Rabbi's and the CEO's) answer is, they all need leadership. Call us biased, but we see the lack of twenty-first century leadership—leadership that can rise to meet the unprecedented challenges of our time—as the lynchpin issue that underlies all the others. It was of times like these that the economist and philosopher Kenneth Boulding said: "The greatest need for leadership is in the dark... It is when the system is changing so rapidly... that old prescriptions and old wisdoms can only lead to catastrophe and leadership is necessary to call people to the very strangeness of the new world being born."

Why do we say crisis (and we take the word, much like the Chinese character for crisis, as meaning "danger" combined with "opportunity")? Two reasons: for one, ethical decision-making seems to have taken a long vacation. For too many executives, the game has become about looking good: fudging the numbers in the relentless pursuit of elusive and fickle shareholders. Ken Lay, Jeff Skilling and Andrew Fastow of Enron were only the most visible cases. Witness Maurice Greenberg, the imperial ex-chief of AIG who was subpoenaed and ousted by his own board after a forty-year tenure; Gary Winnick of Global Crossing and Bernie Ebbers of WorldCom; Lloyd Silverstein and other senior managers who lied in a federal inquiry into Computer Associates' accounting; Adelphia and Tyco; Boeing and Putnam; HealthSouth and Prudential; Parmalat and the Bank of Japan; Martha Stewart and Samuel Israel, and—surprise—Greenberg's own son Jeffrey at Marsh McLennan.

Leaders like Steve Case of AOL or Bob Nardelli of Home Depot, once unassailable, have lost much of their luster. And business is not alone; the pandemic of deceit has infected the public and nonprofit sectors. The disgraced former New York Governor Eliot Spitzer was one of the more egregious examples of a state official who failed to walk his talk, gaining national attention as "sheriff of New York" who prosecuted businesses and prostitution rings while being a client of one high-priced sex ring himself. Corruption scandals have tainted more elected officials than we could list here, not to speak of autocratic leaders in the Middle East, or those who were not above poisoning Viktor Yushchenko to derail his campaign for the Ukrainian presidency. A U.S. federal judge presiding over a price-fixing case involving Monsanto conveniently failed to disclose to the parties in the case that in 1997-98 he himself had been a Monsanto lawyer in another case about some of the same issues—a clear conflict of interest.

Senior officials in the Catholic Church and the military have covered up sexual misconduct by priests and soldiers with conspiracies of silence, sometimes for decades. EU and UN bureaucrats have been charged with embezzling millions of euros or dollars. The son of Kofi Annan, the former UN secretary-general who supposedly embodied the moral conscience of the world community, stood accused of colluding with former Iraqi dictator Saddam Hussein to steal billions from the UN's oil-for-food program.<sup>1</sup>

And if you think senior officials are the only ones who cheat, think again. Corruption is wherever the money is. Remember how after Hurricane Katrina tore through the Gulf region, FEMA needed days to mobilize? Another group was on the scene much faster: profiteers. In Mississippi, a couple from Indiana rolled into Jackson and began selling generators out of a horse trailer for as much as \$2,600 (they usually cost \$700). In Texas, some budget motels charged refugees from Louisiana up to \$300 a night—six times the normal rate.<sup>2</sup>

Even the world of sports is riddled with corruption; world records and gold medals have become tainted with suspicions of doping. In the 2000 Sydney Olympics, the U.S. athlete Jerome Young was a gold medalist in the 4x400 meter relays; in 2003 he became the 400-meter world champion; in 2004 he was suspended because of repeated use of illicit substances. And while baseball pitcher Roger Clemens, a seven-time Cy Young Award winner with 354 wins under his belt, issued indignant—and unconvincing—denials during his congressional testimony and in a 60 Minutes interview in early 2008 ("never happened," he kept snapping at interviewer Mike Wallace), he was widely believed to have been injected with steroids and growth hormones by his former personal trainer, who admitted as much. Far from acting alone, athletes like Young and Clemens conspire with accomplices. "Now we recognize that not only the athlete but veritable teams are involved in the cheating: scientists, doctors, pharma marketers," explained Richard Pound, head of the World Anti-Doping Agency. "One can speak of organized crime...It taught me that people lie. When they're caught, they lie."3

Governments have sought to punish and deter ethical lapses. In the United States, after the corporate and accounting scandals of Enron, Tyco International, Adelphia, Peregrine Systems and Worldcom when the collapse of these companies' share prices cost investors billions of

dollars and shook public confidence in the securities markets, the U.S. Congress passed the Sarbanes-Oxley Act (in short SarbOx or SOx, after its sponsors, Sen. Paul Sarbanes, Democrat of Maryland, and Rep. Michael G. Oxley, Republican of Ohio); the 2002 federal law established stricter standards for all U.S. public company boards, management, and public accounting firms and set up an oversight agency. In 2007, China went further when it executed the corrupt head of its State Food and Drug Administration. But the real solution is not legal. Yes, better rules or policing might enhance accountability and transparency, but "There won't be quick fixes," admitted Robert Reynolds, chief operating officer of Fidelity Investments, with \$906 billion under management at the world's largest fund manager. (He should know: In late 2003, the state of Massachusetts subpoenaed a salesperson from his own company for improper dealings.) Without morality, without leaders at all levels who can tackle ethical dilemmas, more regulation will not work. Since countless managers have lost their moral compass in the rough seas of globalization and deregulated markets, corporate America and organizations the world over must begin an internal process of renewal.

This book aims to help leaders at all levels find that compass again. The Rabbi and the CEO is about a fundamental change that's needed: change from within. It's a type of change that is hardly fashionable; boasting of outward successes is still much more popular. Loud and bossy leaders grab the headlines and thrust themselves into the limelight; think Donald Trump and The Apprentice. Quiet leaders are crowded out, lost in the background. The egomaniacs and their scandals are much more fun to watch and read about. Many of these so-called leaders lack the essentials, the fundamentals on which sound leadership is based, and which breed lasting success.

But ethics is only one aspect of the twin crisis of leadership. The other stems from an entirely different quarter: The old leadership model is bankrupt. Why? Because throughout history, leadership was scarce. The vast majority of people never asked themselves what to do. People were subjects; they were told what to do, and their work was dictated either by the nature of their work—for a peasant or a craftsman—or by the lord of the manor. Although Descartes and other later

thinkers made a dent with the idea that humans could use their own powers of reason, even the Enlightenment did not fully transform the deeply ingrained culture: people did pretty much what they were told by their parents, superiors, or rulers. The Industrial Revolution that followed in the next century only compounded this mechanistic view; Frederick Taylor's efficiency "improvements" were the culmination of human beings as cogs in a wheel. Even in the 1950s and 1960s, the new knowledge workers (referred to as organization men at the time) looked to their company's personnel department to plan their careers for them. But starting with the late 1960s, the game changed. Young men and women asked, What do I want to do?<sup>4</sup> Several waves of democratization gave more and more people the idea that they had rights, they had a voice.

Then, in the 1990s, came the Internet. Google and Wikipedia put knowledge at people's fingertips with the click of a mouse. Now Skype and LinkedIn connect people across the world for free or next to nothing. Blogs have leveled the field of journalism. In the last century, consumers chose among a few TV channels and magazines; by 2007 there were were hundreds of cable channels on TV and 70 million blogs on the World Wide Web. MySpace and YouTube, where 65,000 videos are posted daily, have democratized entertainment and give anyone a shot at being a musician or movie director. Thanks to Macs and Web 2.0, you too can be an industrial designer in the new design democracy.<sup>5</sup> End-users know exactly what they want from the products they buy-more so than manufacturers-and so-called lead users are often on the forefront of innovation and product development, from software to high-performance windsurfing equipment.<sup>6</sup> It is no different in healthcare, where patients have stopped blindly trusting their doctors and instead demand answers and choice—something unthinkable a generation ago, when doctors were thought to be omniscient demigods whose judgment they never dared question.

Churchill was famous for saying that the higher you rise, the more clearly you see the big picture of vision and strategy. (He also said, somewhat presciently, that the higher the ape climbs, the more you can see of his bottom.) But is that still true today, when the receptionist or the front-line salesperson interface with customers every day and may

have as much insight into the market as top managers and board members? Even the military has recognized that soldiers on the ground in Sadr City or Seoul have often more access to local strategic intelligence than the commanders at headquarters and need to take part in strategic decision-making. In complex environments, top-down strategy or leadership is obsolete. The good news is that leadership is no longer confined to the realm of the select few; it has become a public good. More people than ever before in history can now aspire to the mantle of leadership.

That is not to say that they do, or that the leadership craft has become any easier; quite the opposite. In fact people's desire to be in charge has diminished. Take chief executives. Leslie Gaines Ross, chief knowledge officer at Burson-Marsteller, surveyed executives at Fortune 1000 companies and asked how many of them craved being the head honcho. In 2001, 27 percent responded that they had no interest in being CEO; by 2005 that number had jumped to 64 percent in North America and 60 percent in Europe. Ross' explanation: "You take a lot of risk today in choosing the top job." Indeed, in 2005, a record 1,322 chief executives left the corner office, both voluntarily and not; in 2006, departures (or firings, as the case may be) included the bosses of some of America's best-known companies: Ford Motor, Home Depot, Kraft Foods, Nike, Pfizer, RadioShack, UnitedHealth, et al. Sure, many CEOs have their own reasons for leaving. But according to the study, intense global competition, an impatient Wall Street pushing for instant results, and regulators on the war-path all contribute to corner office angst. Many CEOs feel under siege.

Why? Because this new leadership landscape—globalization and democratization, flattening organizational hierarchies and virtual teams, outsourcing and offshoring, the Internet and ubiquitous media—turns leadership into a more complex challenge than perhaps ever before. Even the twentieth century's greatest leaders might have had a hard time leading in the twenty-first. President Franklin D. Roosevelt's debilitating polio would be all over the Internet, had he ever become chief executive. John F. Kennedy's chronic affairs would haunt him while he faced not one but multiple enemies. And Winston Churchill would constantly be shown on YouTube for his battle with the bottle. Not to

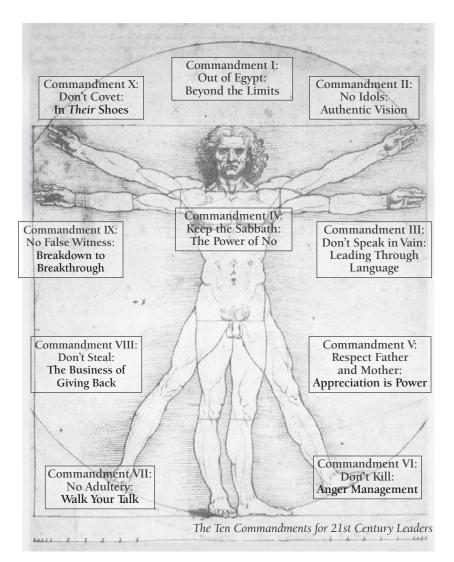
speak of business leaders like Andrew Carnegie, Thomas Watson, or Alfred Nobel: They would come under near-constant attack from shareholders bemoaning short-term losses or from the media criticizing their products. More than ever, leadership is in the hot seat, forcing leaders to stay centered in ways that past leaders never had to.

What are the critical competencies leaders must master now? Take a cue from Warren Buffett, the chairman of Berkshire Hathaway and one of the great business leaders and strategists of our time. When Buffett announced to shareholders in 2007 that he planned to hire a younger person (or several) to understudy him in managing Berkshire's investments, he did not mention financial savvy or technical skills or even strategic thinking. Qualified candidates, Buffett noted, must possess "independent thinking, emotional stability, and a keen understanding of both human and institutional behavior."

No question: Leaders of a new kind are called for. But how can such a transformation be brought about? More than two hundred years ago, Michael Faraday took two different fields—physics and chemistry—and married them to create a new phenomenon: electricity. To transcend today's leadership crisis, we (the CEO and the Rabbi) propose to do the same with the two fields of Judaism and leadership. We found that marrying the two makes something new possible: a new type of leadership. Just like the ten vessels (*sefirot*, literally, enumerations) through which God created the world according to the ancient Kabbalah, the study of the mystical meanings of the Torah, each of the ten leadership commandments is interconnected with all others; each is a holographic expression, building on all of the other commandments and leading back to them all. Here is a quick overview:

In Commandment One, Out of Egypt, great leaders start by going beyond their comfort zone; they free themselves and unleash the potential of others. In Commandment Two, No Idols, leaders must build an authentic vision that is not based on idols or external expectations, but is truly their own. Commandment Three, Don't Speak In Vain, shows how to lead through language, how leaders inspire others to act on their vision through a specific type of speaking and listening.

Commandment Four, Keep the Sabbath, is about how transcendent leaders from Moses to Mandela had the courage to prioritize, say no to



demands and circumstances, and take time out to reflect and contemplate. Commandment Five, Respect Father and Mother, shows how leaders use appreciation as a key management tool; they see the importance of each person and each detail to the overall strategy. In Commandment Six, Don't Kill, powerful leaders regulate their anger and channel their emotions into productive energy.

Commandment Seven, No Adultery, is about *the* source of power for leaders: not their corner office, not their title, not even their authority,

but their integrity. They walk their talk and tackle ethical dilemmas. Commandment Eight, Don't Steal, is about how leaders catalyze—embody, even—the future by the way they invest themselves. In Commandment Nine, No False Witness, the greatest leaders are not afraid to give bad news; instead of being stopped by adversity, they harness breakdowns into breakthroughs. Finally, in Commandment Ten, Don't Covet, global leaders, especially in the twenty-first century, must put themselves in the shoes of their clients, competitors, and even enemies.

These commandments' principles and practices are so fundamental that many managers might overlook them in the rush to show the external, seemingly important characteristics of leaders. But they are the stuff twenty-first century leaders are made of. (In fact we hope readers come to use *The Rabbi and the CEO* as a reference they will keep dipping into for continuous guidance.)

And potent stuff they are indeed. Like fire, leadership can be used to destroy or to build. We assume that you will use the tools in this book for good. Tremendous damage has been done in the world because some have been compelled to put their leadership skills to dishonest or even evil ends. Fueled by greed, intolerance, and revenge, these socalled leaders have perpetrated wars, famine, and commercial or environmental ruin, and have wrought havoc on their companies or whole nations. Under the best leaders, however, people have triumphed over impossible circumstances; fought and won against tyranny and oppression; overcome poverty, hunger, ignorance, and disease; and distinguished within the collective consciousness such notions as equality, freedom, and dignity. In business, they have innovated, made the impossible possible and doable, and mobilized to achieve breakthrough results. (As Herb Kelleher, the former leader of Southwest Airlines, put it recently, "a humanistic approach to business can pay dividends—and believe me, I'm not off my meds!"9) The choice is yours. Use your power wisely.

T.D.Z. AND A.R. New York City, June 2008

#### Acknowledgments

As with most calamities in life, 9/11 was not altogether bad. In fact, without that grisly day the CEO and the Rabbi might have never met or crafted this book. The day after, both of us went back to mourn the thousands of victims and the loss of the world's innocence (including our own). The CEO sat there with countless others, holding a candle and staring into the smoking, dusty void where the twin towers had stood only the day before, when the Rabbi walked up to him with his full regalia, black hat and beard and tefillin<sup>10</sup>—and, because the Jewish New Year was fast approaching, a shofar in one hand and a tiny bottle of honey in the other. He asked, "Are you Jewish?" The CEO looked up; he had never met the Rabbi before, and usually would have ignored a stranger or waived him away. But on that somber day, something made him say, "Yes, I am." The Rabbi asked, "Okay, would you like to put on tefillin?" The CEO answered, "I've never done this before, but today of all days seems like a perfect day to start." So the two of us, with hundreds of people watching, tied the tefillin on the CEO's left arm and his head, and said the prayer, the Rabbi slowly pronouncing a few holy words at a time, the CEO repeating them haltingly. On that day, a great friendship was forged. Soon the two became collaborators and fellow leaders who coach each other: the Rabbi helps the CEO step back from business and life challenges and make sense of them; the CEO assists the Rabbi in setting strategic direction and tackling leadership challenges.

(From now on, throughout the book, whenever we mention "the CEO" and don't specify further, we mean co-author Thomas D. Zweifel; whenever we say "the Rabbi" without adding a name, we mean co-author Aaron L. Raskin. Maybe our roles will be reversed in another lifetime or two; but that is the way it is for now.)

We thank the readers of our previous books who believed in our ideas. We are grateful to the members of Congregation B'nai Avraham

in Brooklyn Heights, led by Stephen Rosen, founder and president, for their generosity and human spirit; Rabbi Simcha Weinstein for his dynamism and ideas; Rabbi Samuel Weintraub and the Kane Street Synagogue in Brooklyn's Cobble Hill and Rabbi Harold Swiss of the Little Synagogue for first opening the door; Rabbi Yitzchak Ginsburgh and Rabbi Dov Ber Pinson for paving the road less traveled; Michael and Sarah Behrman, Jay Greenspan, Elyakeem Kinstlinger, Samuel Mann, Allan Scherr, Motti Seligson, Sam Shnider, Tom Steinberg, and Michael Weinberger for useful insights and inspiring conversations.

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We thank the CEO's clients—top managers, entrepreneurs, government and UN officials, and military officers—who have turned the Ten Commandments into results for a quarter-century. We are indebted to the CEO's friends and Swiss Consulting advisers Lawrence Flynn, Florian Goldberg, Peter Spang, and Nick Wolfson for generously sharing concepts and best practices; and to Richard Klass and Lark Bryner for their stories and jokes.

We thank Mina Kim and Yariv Nornberg for research on Perrier; Abril Alcala-Padilla, Jamie Ho, Mihyun Park, Ned Peterson, and Chunyu Yu for research on General Electric; Robin J. Böhringer and Simon Koch for research on Ford; and the CEO's more than five hundred leadership students so far at Columbia University, St. Gallen Business School and Haute Ecole de Gestion Fribourg (both Switzerland), Sydney University, and the Interdisciplinary Center Herzliya (Israel), who researched case studies and helped bring out ideas in this book through challenging dialogue.

We thank our parents and our early teachers and role models Benzion and Bassie Raskin, and Dr. Eva and Dr. Heinz Wicki-Schönberg, who cut the tall grass and showed us what works. We thank Shternie Raskin, a natural leader and manager, for her strategy and intuition from which the Rabbi learned so much, and Yankel, Eliyahu, Mendy, Chaya, and Yehoshua Raskin for encouraging the Rabbi to be a better leader every day. We thank Rabbi Menachem M. Schneerson,

the Lubavitcher Rebbe and the Rabbi's mentor, for setting the highest standards of leadership, and Rabbi Jacob J. Hecht, the Rabbi's grandfather, for his inspiration and example. We thank the city of Basel, the CEO's hometown, not only for bringing forth tennis champion Roger Federer, a master of anger management (see Commandment 6 "Don't Kill"), but also for hosting the First Zionist World Congress in 1897 that was attended by the CEO's great-grandfather, Rabbi David Strauss of Zurich. After the Congress, Theodor Herzl, the founder of the Zionist movement, was to write, "To summarize the Basel Congress in one sentence—which I shall be careful not to pronounce publicly—it is this: At Basel I founded the Jewish state."

Last but not least, we are grateful for meeting each other and enriching each other's lives. The terrorists on 9/11 hoped to divide the world and wreak havoc and destruction. Yet as King Solomon said, from darkness comes greater light. Out of the ashes of the Twin Towers our twin souls met; the very calamity brought us together and allowed us to merge our talents with the aim of creating greater good. We present this book with the awe and humility that stem from knowing that we cannot fully grasp the infinite wisdom of the universe. All we can do is open a window and lead the reader to it.

Prologue: Leadership Self-Assessment

#### Prologue: Leadership Self-Assessment

Before we proceed, we invite you to assess yourself. Each of the ten chapters in this book explores one of the Ten Commandments and applies it to the twenty-first-century workplace. So before you delve into the book, take a few minutes now to grade your own leadership competencies on the next page. We are aware that readers often skip these types of exercises. Don't. If you take this assignment seriously, the book may give you the power to transform your leadership—for good.

#### Leadership Self-Assessment Leading with the 10 Commandments

Rate your leadership competencies below (1=non-existent, 2=weak, 3=fair, 4=competent, 5=masterful). Be honest with yourself: neither negative nor boastful. It is not about looking good.

### COMMANDMENT I: Out of Egypt: Beyond the Limits

 Responsibility for the whole of your organization and mission; willingness to take charge
 Checking your own assumptions, blind spots, hidden motives, values; staying centered
 Beginner's mind; remaining a student; openness to coaching Teaching ethical dilemmas
COMMANDMENT I1: No Idols: Authentic Vision
0 0 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
 No Idols: Authentic Vision

Prologue: Leadership Self-Assessment

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#### COMMANDMENT III: Don't Speak In Vain: Leading Through Language

Listening for distinctions (e.g., in running meetings);
listening for openings, solutions
Making powerful promises, requests (measurable, with deadlines
Cultivating and deepening relationships
Giving and receiving feedback effectively
COMMANDMENT IV
Keep the Sabbath: The Power of No
Being still; ability to step back; letting go of control
Working from priorities; saying no to low-priority demands
COMMANDMENT V
Respect Father and Mother: Appreciation is Power
Appreciating what others bring
Team skills (e.g., building consensus, alignment)
Coaching skills; effective empowerment of people
Managing the details, not dropping anything out
COMMANDMENT VI
Don't Kill: Anger Management
Regulating your own emotions (e.g., anger, fear)
Understanding your own emotions
COMMANDMENT VII No Adultery: Walking Your Talk
Maintaining clarity on your ethical values
Matching your words and deeds; integrity

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Prologue: Leadership Self-Assessment

#### COMMANDMENT VIII Don't Steal: The Business of Giving Back

Don't Steal: The Business of Giving Back
Contributing to others; always giving more than receiving
Adding value to people and/or organizations
COMMANDMENT IX
No False Witness: From Breakdown to Breakthrough
Thinking strategically; identification of what is missing, of blockages
Being powerful in the face of breakdowns; turning breakdowns into breakthroughs
Never ever ever giving up; being fearless; undaunted by No
COMMANDMENT X Don't Covet: In Their Shoes
Enrollment: utilizing and integrating people's existing agenda
Managing cultural diversity; standing in the shoes of the other person
Decoding another culture (organizational or rational)

#### CHAPTER ONE

## Commandment I Out of Egypt: Beyond the Limits

...in a place where there are no leaders, strive to be a leader.
—Ethics of Our Fathers, Chapter 2:6

No man is fit to command another that cannot command himself.

—William Penn

THE FIRST COMMANDMENT: "I am the Hashem," 12 your God who delivered you from the land of Egypt, from the house of slavery." At its most basic, leadership is about freedom: freeing people up to express their full potential. Leaders dare to go—and take others—beyond their comfort zone. This chapter will show you the most basic leadership competence, and one of the hardest to master: how to leave your own Egypt. How do you unlock people's hidden power? To begin, you need to know their blind spots and understand the nature of power.

Gertrude Boyle marched into her family's clothing factory one winter morning and ordered the foremen to shut down the machines. When the forty workers gathered to find out whether they still had jobs, the silence was louder than the loudest engines. Gert delivered the bad news: Neal, her husband of twenty years and president of the company, had died of a heart attack at age forty-seven; she had buried him just hours before. The second bombshell followed on the heels of the

first: Gert had decided to take over and asked that the employees not quit while she learned how to run the business.

"I was a senior at the University of Oregon, studying journalism with a minor in political science," Gert's son Tim recalled. "My intention was to go to law school or buy a newspaper." But when his father died, he rushed home to help his mother manage the firm. "My dad had just taken out a loan, backed by my parents' house, my grandmother's house, all the assets of the family. I made every mistake in the world. It was a tiny business, \$1 million in sales in 1970. But by 1971, under our direction, we were at half a million." 13

No wonder: Tim's mother was a forty-seven-year-old homemaker who did not know how to lead a company. Up to that point, her most significant contribution to the business had been stitching together a fishing vest that Neal had designed at the dinner table one evening. Her bankers, lawyer, and accountants were skeptical of her ability to lead and tried to dissuade her.

Events proved the skeptics right. By 1973, the company had a net worth of minus \$300,000, and the bankers pressured Gert and Tim to sell. They agreed reluctantly. A parade of potential buyers ("Buyers?" Gert snorted. "Call them vultures—that's more like it") poured over their books. Only one of them bothered to make a bid. He showed up for the final round of negotiations one rainy spring morning, carrying a long list of conditions. Then came his final offer: \$1,400. And in that moment, something snapped in Gert Boyle. She went beyond the narrow confines of the meek housewife who did not speak up at meetings and transformed herself into the indomitable leader of Columbia Sportswear. She ordered the potential buyer out of her office, shouting after him: "Why should I let you have all the fun? For \$1,400, I'll gladly run the business into the ground myself."

The rest is history. Needless to say, Gert Boyle did not run Columbia Sportswear into the ground; quite the reverse. Under her leadership (and Tim's, now the president and CEO), the firm has become a leading maker of outerwear and skiwear and one of the fastest-growing manufacturers in the footwear and sportswear markets. Some 10,000 retailers and catalogue companies in Europe, Asia, and the United States carry its jackets, jeans, boots, and hats. Even the sexy lingerie

retailer Victoria's Secret has featured Columbia's Bugaboo Boots on its catalog cover. In 1997, Columbia posted \$535.5 million in sales and \$44.3 million in operating income—a growth of 30 percent and 35 percent respectively from a year earlier. In 1998, Gert and Tim took the business public and realized a paper fortune of \$350 million, while keeping 75 percent of Columbia's stock and paying a dividend of \$95 million to themselves and key managers. By 2006, the company's market capitalization was just shy of \$2 billion.

Some 3,300 years before Gert, another human being stood up—in Egypt. One day, Moses walked outside the palace and witnessed injustice: he "saw an Egyptian beating a Hebrew, one of his kinsmen. He turned this way and that and, seeing no man, he struck down the Egyptian." The Hebrew word *ish* can mean "man" as well as "leader." Moses saw no other leader defending this man, so in a split second, without thinking, he took charge. Moses had lived comfortably among Egypt's elite; but now came a reckoning that forced him to show his true colors, and in one instant he changed his life and gave up everything he was and had, his money, his position, and his connections in the top echelons of society. What for? Essentially, it was his chance to leave his limitations and become truly himself. There was no one else who would lead; he knew another human being depended on him, and he chose to step into the gap.

Where did Gert Boyle find the strength to make the shift from home-maker to business leader, and a wildly successful one at that? What made Moses, raised among the privileged princes of Egypt, throw in his lot with slaves and become a transcendent leader who would free his entire people from the yoke of Egypt and guide them to the Promised Land? What gave Moses and Boyle the power to stand up? Both experienced that defining moment when, as the poet Rainer Maria Rilke put it, "someone in the crowd wakes up, he has no ground in the crowd, and he emerges according to much broader laws" <sup>16</sup> It's the ultimate leadership question: What makes a leader?

The Rabbi and the CEO say it's the First Commandment: *I am your God who delivered you from the land of Egypt, the house of slavery.* The Hebrew name for Egypt, *Mitzrayim*, from the root *metzar*, means also narrow, limited, constrained. So "I delivered you from Egypt" really

means "I freed you from your limitations." The job of a leader is to lead people—starting with themselves—out of narrowness into openness, and to create freedom wherever people are locked up.

The exodus from Egypt is a defining moment in Jewish history. Each year during Passover, Jews all around the world—even those who barely remember their roots—relive their liberation and have done so for many centuries, even in times of intense oppression, such as in fourteenth-century Spain, seventeenth-century Poland, 1938 in Germany, or 1960 in Russia. The exodus is not merely a historic event that happened thousands of years ago; in every generation, it is incumbent on leaders to leave the places where they have been confined, where they have been less than themselves, where they have not been fully expressed, and free themselves and others. The exodus is hard-wired into the Jewish psyche. It created a new human being: a person who yearns for liberty and will never succumb to subjugation.

But that liberty is a far cry from reality. Who of us working in organizations—no matter whether on the front lines, as a middle manager, or as CEO—has not seen examples of the Egypt of corporate life? Managers cover their backsides; direct reports pass the buck; colleagues are afraid to speak up and say what they really think; people reduce themselves to going through the motions in their nine-to-five routine, or they let someone else boss them around. When the CEO (co-author Thomas D. Zweifel) asked an executive coaching client, a managing director at a New York financial services firm, for his objectives, he said, "My CEO expects me to double total revenue." Was this his vision or the boss's vision for him? "The CEO's," he admitted. It dawned on him that his basic modus operandi was to play exclusively within the rules other people had set for him, rather than participating in making the rules that would maximize productivity. This blind spot greatly hampered his leadership.

Hasidic tradition (from the word *hesed*, an Orthodox Jewish movement founded by the eighteenth-century Rabbi Israel ben Eliezer, also known as the Baal Shem Tov, literally "Master of the Good Name") and the Kabbalah (literally "receiving," a mystical Jewish tradition resulting in the *Zohar*, widely considered the Kabbalah's most important work,

say that the inability to fully express yourself means you're in exile: you're not free, you're still a slave. If a pharaoh doesn't own you, then your circumstances, or your outdated beliefs, are running your life. Leaving your own Egypt and achieving full self-determination are the essence of redemption and liberation.<sup>17</sup> (This is also expressed in the word "education"; *educare* is Latin for to teach, but literally means to lead out.) But leaving your own Egypt can be frightening, messy, and far from glamorous. In the beginning Moses had grave doubts about whether he could fulfill his mission. He was marked by imperfections. He stammered. When God called on him, he made excuses and conditions: "I am slow of tongue and slow of speech." He asked, "Who am I?" and begged God to choose someone else to lead:

Who am I that I should go to Pharaoh and that I should take the Children of Israel out of Egypt?...they will not believe me and they will not heed my voice, for they will say, 'God did not appear to you.'...Please, my master, I am not a man of words, not since yesterday, nor since the day before yesterday, nor since You first spoke to Your servant, for I am heavy of mouth and heavy of tongue....Please, my master, send whom-ever you will send!<sup>18</sup>

In that moment, Moses regretted his choice to become a leader and would have given anything to avoid the burden of leadership. But God would have none of it. He told Moses:

Therefore, say to the children of Israel, "I am God, and I shall take you out from under the burdens of Egypt; I shall rescue you from their service; I shall redeem you with an outstretched arm and with great judgments. I shall take you to Me for a people and I shall be a God to you; and you shall know that I am Hashem your God, Who takes you out from under the burdens of Egypt."<sup>19</sup>

Moses was right to be scared. Once you leave your own Egypt, where do you go? There is an old Jewish saying that some attribute to Rabbi Menachem Mendel Morgensztern of Kotsk, the Kotsker Rebbe:<sup>20</sup> It is one thing to take the Jews out of exile, but it is quite another to take the exile out of the Jews. Where do you find your power as a leader when you venture into the unknown?

The answer lies in one of the first first portions of the Torah (the five books of Moses, also called the Old Testament), Lech Lecha: Go to Yourself. What does that mean? Didn't we just go beyond ourselves? Why do we have to come back to ourselves? It means you are on a lifelong journey to unfold who you really are. The eighteenth-century Rabbi Zusya said about himself, "In the world to come, I shall not be asked, 'Why were you not Moses?' I shall be asked, 'Why were you not Zusya?"<sup>21</sup> And the wise Rabbi Simcha Bunam said in old age, when he had already gone blind: "I should not like to change places with our father Abraham! What good would it do God if Abraham became like blind Bunam, and blind Bunam became like Abraham? Rather than have this happen, I think I shall try to become a little more myself."22 Or, as another leader of an entirely different kind was to put it centuries later, "Where I was born was very far from where I'm supposed to be, so I'm on the way home." Who said this? It was Bob Dylan, one of the key innovators in the field of music. "I had ambitions to set out to find—like an odyssey going home somewhere—I set out to find this home that I had left a while back, and I couldn't remember exactly where it was but I was on my way there..."23

His ambition to be on a life-long search for home—or his true self—gave Dylan (whose real name was Robert Zvi Zimmerman<sup>24</sup>) the courage and creativity to lead music into an entirely new realm. He committed what some fans considered heresy by playing electric guitar at the 1965 Newport Folk Festival. His push to break through the boundaries of music was not exactly earning him roses; a full one-third of the audience that night booed him for destroying the folk music they knew and cherished. While he walked back and forth on stage tuning his electric guitar, a heckler yelled, "Hey, traitor, why don't you hear yourself?" Others cried, "Bobby, go home!" When he recalled the incident four decades later, Dylan still struggled for words: "The booing didn't really—it didn't really—you know—I have a perspective on the booing because you gotta realize you can kill somebody with kindness too."25 At the time, he was undeterred. He smiled sheepishly like a naughty schoolboy, shrugging his shoulders as if he didn't quite know what was happening, as if things were out of his hands. Unperturbed, like an indifferent teenager who simply didn't care what people

thought, he abruptly started singing in his rough, snarling voice, turning his back to the audience, hunched over, cradling the guitar as if to protect his new "baby" from the audience and its outrage.

Looking back on the incident decades later, Dylan explained: "I didn't want to give something away that was ... [he fell into a long silence, weighing whether to say the word] *dear* to me, or something," He kept doing his unique thing, escaping his own immense popularity that had become an obstacle, inventing a style that would transform for all time what was possible in music. "I wrote a lot of songs in a quick amount of time," Dylan said. "I felt like I discovered something no one else had ever discovered, and I was in a certain arena that no one else had ever been in before, ever—although," he quickly inserted a disclaimer, "I may have been wrong about that." Wittingly or not, Dylan became a leader of his generation because he gave voice to what that generation needed to hear. At the source of his leadership was leaving his own Egypt—an intense desire to find his own power, a power not based on a job title or wealth or popularity.

No two humans are alike. Dylan's task, just like Rabbi Zusya's and Rabbi Bunam's, was not to emulate the heroes or sages of the past, no matter how great they were. Rather his job was, and is, to know himself, find his unique purpose in life, and stay true to that purpose. This concept, unfolding the unique you and doing something that has never been done before, is central to the Jewish concept of leadership. The *Zohar* (one of the greatest kabbalistic works) says that the *neshama*, the human soul, is so great that it precedes even the Torah.

Dylan ended up reaping rich rewards for his courage to be himself. He became a star, and he rewrote music history. In business too, leaving your own Egypt and venturing into the unknown pays dividends: You can build an entire company on people transcending their limits. Sergey Brin and Larry Page did. Even the name of their company showed their playfulness on the journey to freedom and innovation: They took a typo, a misspelling of "googol," the number represented by a 1 followed by 100 zeroes, and made it into the name of their project: Google. They got venture capital and quickly built one of the world's most visible brands. But they kept their own unique strategy and management style to stay on the cutting edge. Hiring the best

minds they could find, they prized originality, to a fault. Google engineers—among them such brains as Rob Pike, one of the creators of the Unix operating system; Adam Bosworth, a pioneer of the XML programming language; and Louis Monier, an inventor of the Altavista search engine popular in the 1990s, and later director of eBay's advanced technology research—are encouraged to work the equivalent of one day each week not on Google but on their own pet projects. It's a zany culture built on the tenets of leaving your own Egypt and the uniqueness of each person as a leader.

And you don't need to be a rock musician or a math genius. In an industry not exactly known for prizing originality, Herb Kelleher did it with Southwest Airlines, where new hires are asked to bring "a warrior spirit and a fun-loving attitude." To be sure that job candidates got a grip of Southwest's culture, Kelleher did not leave the hiring process to the human resources department, but asked model employees to interview new people and top managers to train them in leadership. "We ask, how did you use humor to extricate yourself from a situation? You hear some of the damndest stories. ... We hire you because you are you, not because you're a robot."27 Southwest's focus on people freeing themselves from the shackles of corporate existence paid off. From 1972 to 2002, the airline produced the best return to investors in Standard & Poor's, netting 76 percent growth compounded annually. An investment of \$1,000 in 1972 was worth \$1 million in 2002. Today, Southwest Airlines is still a top performer, producing profits in a struggling industry by enabling its people to leave their limits behind.

\* \* \*

The joke goes that a Buddhist monk entered a pizza shop and asked, "Make me one with everything." He got his slice and handed a \$20 bill to the proprietor, who pocketed the entire bill. After a befuddled pause the monk protested, "Where's my change?" The pizza man shot back: "Change? Change comes from within."

Jokes aside, on a deeper level the pizza man was right. Unless you monitor your blind spots, the inner motives, conscious or not, that

drive your actions, and above all your ego, you're enslaved; you risk running around like a headless chicken, victimized by others' demands or by circumstances beyond your control.

How do you do it, though? How do you go about leaving your own Egypt? We propose three fundamental tools: first, taking full responsibility; second, checking your own beliefs, assumptions, and blind spots; and third, being aware of how you exert power.

# Responsibility = Ability to Respond

In the extreme, when people are utterly enslaved, they become robots that can be used by whoever gains control over their minds. To see the consequences of such complete lack of self-determination, one need only recall how the German masses followed the Führer (German for leader) before and during World War II. It was above all their individual and collective refusal to think for themselves that turned them into accomplices to a monster on his twisted march to utter destruction. Such lack of independent thought is unthinkable in Judaism, which has always asserted that each human is directly responsible to God. Jews have a direct link to the divine. There is no pope, no vicar of the divine on earth; no human has the ultimate authority to tell you what to think; two Jews, three opinions, for better or worse. (When Richard Nixon told Golda Meir that "I am the president of 200 million Americans" she reportedly quipped "And I am the prime minister of four million prime minsters.") Their responsibility (unlike guilt, which they have often confused it with) is, quite literally, the ability to respond; the words are derived from the same roots.

In Jewish teachings, a human being first becomes a leader of the self, then of the family, the community, the nation, and ultimately of the world. To free others, you must be in charge of yourself; you have to know yourself and take full responsibility for your actions, responsibility not as in guilt, but as in a basic willingness to be the cause, never the victim, of what happens in your life. "People are always blaming their circumstances for what they are," George Bernard Shaw once observed. "I don't believe in circumstances. The people who get on in this world

are the people who get up and look for the circumstances they want, and, if they can't find them, make them."28

In the *Amidah*, the most self-confident of the daily prayers, Jews take three steps forward to address God directly and without intermediary. They stand up to God and face their own responsibility. (*Amidah* means standing up; when you face God, you go beyond your limitations, stand up for yourself, and hold your head high.) Yes, they're humble: "To those who curse me, let my soul be silent; and let my soul be like dust to everyone." But they're in charge.

Some Jews took responsibility to an extreme that may strike some as borderline heretical. Adam himself was not above bargaining with God. The story goes that God and Adam were playing around in Eden and had a lot of fun—at least for while. Eventually God got a bit bored and decided to make Adam an offer. "I will give you a creature unlike any you have ever seen: her name will be Eve. She will be gorgeous and smart, she will be your life partner, she will give you beautiful children, and she will make you laugh for the rest of your days." "That sounds awfully good," Adam said. "What do you want in return?" God answered, "Your right arm and right leg." Adam thought it over, then came back. "That sounds fantastic," he replied, "but giving up an arm and a leg is a bit much, don't you think? What do I get for a rib?"

While this is of course a joke, that Adam was willing to haggle with God set the stage. Many generations later, Abraham, the father and first leader of the Jews, again took it upon himself to negotiate with God over the fate of the evil cities Sodom and Gomorrah. Reportedly God said to Abraham, "Without me you would not exist." Abraham responded swiftly, making clear he saw eye to eye with his creator: "Yes, God, that I know. But you would not be known were it not for me." <sup>30</sup> It was straight talk on the verge of impertinence. He argued that even if only fifty good men lived there, the cities as a whole should be saved. Then he started bargaining like a rug dealer in the souk of Tunis.

Here I have begun to speak to my Master and I am but dust and ashes. But suppose they lack five of the fifty righteous? Will you destroy the whole city because of five? [God] said: "I will not destroy if I find forty-five." [Abraham] continued to speak to him and said:

"Suppose there are forty found there?" [God] said: "I will not do it for the sake of the forty." [Abraham] said: "Let not my Master show anger and I will continue to speak. Suppose thirty are found there?")<sup>31</sup>

Abraham did not stop wheeling and dealing until he had won a huge concession from God: Sodom and Gomorrah would not be destroyed if a mere ten good men could be found among the whole evil population. (Of course not even ten could be found, so God annihilated the cities; only Lot and his family were saved.)<sup>32</sup>

**Tip:** Remember, you always have a choice. You're in charge; nobody can tell you how to live your life. As the sages say, "You are not obligated to complete the work, nor are you free to desist from it." 33 It's a fundamental paradox of being human: you're free, and yet that freedom comes with a price: you are to meet yourself and your purpose. The choice is yours.

But responsibility goes deeper. It is the willingness to be 100 percent accountable for your actions and choices. Consider the story of Rabbi Shneur Zalman of Liadi, known as the Alter Rebbe.<sup>34</sup> Early in the nineteenth century, the government of White Russia (today Belarus) put the Alter Rebbe in jail in St. Petersburg after the *mitnagdim* (adversaries of Hasidism, from the root *neged* meaning against) of Vilna had denounced him for his practices and principles. The rebbe was awaiting trial when the chief of the gendarmes entered his cell. The majestic and quiet face of the *tzaddik*, <sup>35</sup> who was so deep in meditation that he did not at first notice his visitor, suggested to the chief, a thoughtful man, what caliber of man he had before him. He had read the scriptures and began talking with his prisoner, bringing up several clever questions. The chief saved his best weapon for last: "How are we to understand that God, who is all-knowing, said to Adam: 'Where art thou?'"

It was a trick question, one of those riddles with no way out. If God is really infinite and omniscient, why would He have to ask where

Adam is hiding? And if He does not know everything and has to ask, then He is not God, right?

True to Jewish form, the Alter Rebbe responded with a question of his own: "Do you believe that the scriptures are eternal and that every era, every generation and every man is included in them?" "I believe this," said the chief.

"Well then," the Alter Rebbe said with a smile, "in every generation, God calls out to every man, 'Where are you? So many years and days allotted to you have passed; how far have you gotten in your world?' God says something like this: 'You have lived forty-six years. How far along are you?'"

When the chief of the gendarmes heard his own age mentioned, he gave a start, put his hand on the rebbe's shoulder, and exclaimed, "Bravo!" But his heart trembled.<sup>36</sup> Just like Adam, the first human being, he had come face to face with his own responsibility for his life.

## Questioning Your Assumptions and Blind Spots

Visitors to the ancient oracle at Delphi were greeted with the words "Know Thyself" chiseled in stone on top of the massive entry gate. Self-knowledge is the foundation of ethical and effective leadership; without that groundwork, talking about such grand leadership topics as charisma or vision or empowerment is frivolous. Devoid of self-awareness, leadership is a castle built on sand. The question is, can you achieve, and cultivate, self-knowledge? Say you're in a difficult meeting with one of your managers, and he really rubs you the wrong way; can you check your own blind spots?

First of all, whenever we make observations, we have to know where we stand. Scientists do so (or should do so) routinely to calculate mechanics: they have to take themselves and their relative vantage point into account. For example, if a physicist wants to determine the speed of the Earth, he or she needs to be aware of making that calculation within a framework called the solar system, which is itself spinning through space. This is even more salient when humans are involved. Brain scientists know that it is extraordinarily difficult to observe the

human brain at work without damaging it. Anthropologists and sociologists use a similar intellectual discipline: They have to be aware that the very act of observing a particular system may influence—and change—the system they're observing. In a series of well-known experiments at the Hawthorne Works of the Western Electric Company in Illinois between 1924 and 1932, three organizational psychologists from Harvard studied the effects of lighting on workers' productivity. They brightened the lights in a factory; the workers' output promptly went up. They turned the lights *down*, and productivity went up further. In a phenomenon that came to be called the Hawthorne Effect, it finally dawned upon the scientists that it was not the lighting or other changes that influenced performance; it was the fact that the workers knew they were being observed.<sup>37</sup>

Just like these researchers, it behooves us to check where we stand when we see what we see. Knowing your own perspective and value-system, knowing where you stand, is crucial if you want to lead. One question is surely, why do you want to lead at all? Are you perhaps a control-freak who doesn't give others the freedom to make mistakes? Do you resist the role of follower when a colleague takes the lead? Is your motive to avoid domination by others, or even to hold others down so you can shine and advance? People come up with pretty twisted strategies to avoid being dominated. (For more on this, read Eric Berne's *Games People Play*.) The CEO once had a boss whose chair at the conference room table was just slightly higher than the chairs of the rest of the senior management team. So another question to ask is, are you blind to certain character traits in yourself? What is "unthought in the thinker's thought," as the German philosopher Martin Heidegger said it? What is automatic in your thought?

**Tip:** When you observe something, get in the habit of catching yourself. What are you assuming about this "reality"? What if the opposite assumption were true? If a colleague rubbed you the wrong way recently, how do you know your perception is reality? How do you know your blind spots are not playing a trick on you and somehow distorting what you see?

Your world view influences the reality you see; what you call reality is not fixed, but fluid. (This perspective is based on the suggestion of constructivist theory that reality is constructed by intersubjective understandings, meaning by group or societal consensus. During the Cold War, so many people in the West agreed on the Soviet Union being an "evil empire" that everything the USSR did only provided more evidence for this "fact." In a more recent and more pleasant example, researchers at the California Institute of Technology confirmed that a \$90 bottle of wine really does taste better than a \$10 bottle—even when it actually is a \$10 bottle. When wine drinkers sipped a \$5 bottle of wine, they rated it much higher when it was disguised with a \$45 price tag. The study found that the higher price tag primes the brain to expect pleasure, fooling people into what they actually experience. "Subjects believe that more expensive wines are likely to taste better," neuroscientist and economics professor Antonio Rangel explained. "These expectations end up influencing their actual experience."38 In other words, what you think shapes your reality.

It helps to ask yourself what fundamental beliefs you have that may be causing you to see what you see, to think what you think, to feel what you feel, and to do what you do every day automatically, without thinking. This way you can see the unexamined assumptions that drive your thinking and your actions—the invisible strings that make the puppet dance. One of the CEO's clients, a managing director in a global energy company, was a poor listener. His direct reports loved to hear him speak, they found his talks brilliant, but they soon tuned out; they saw no reason to lead around him and finally left it all up to him. While consulting with this top executive, the CEO helped him reveal his blind spot: his internal background conversation that drove all his actions was something like, "I'm the most brilliant guy in the room anyway. Why should I listen to other people? It's a waste of time." The CEO called him "the preacher." Once he had identified his background conversation, he could transform it into a new one ("My listening is a source of power for other people") and discipline himself to ask questions instead of giving all the answers.

Tip: A good way to access your own blind spot, or defense mechanism, is to recall a recent moment when you were suffering, not physically suffering, but, for example, a situation in which you felt slighted, humiliated, or anxious. Say an outstanding idea of yours was flatly rejected by the management team, and your automatic reaction was, "I've had it with these people, I'm taking my marbles home." Ask yourself, why am I hurting here? What button is being pushed? How old is this defense mechanism; when did it all begin? And what fundamental decision did I make at that time? Most defense mechanisms are pretty old and deeply entrenched; they have served us all our lives to get results; but they may no longer be optimal strategies for leading today.

There are those who believe that strong leaders never question themselves, that flip-flopping betrays a weakness of character. But questioning one's own beliefs is essential for innovative leadership. The British economist John Maynard Keynes put it this way: "When the facts change, I change my mind. What do you do, sir?"<sup>39</sup> The physicist and Nobel laureate Richard Feynman once observed that "if we did not have doubt ... we would not have any new ideas." Feynman wanted to "teach that doubt is not to be feared, but that it is to be welcomed as the possibility of a new potential for human beings. If you know that you are not sure, you have a chance to improve the situation. I want to demand this freedom for future generations." Or as the French philosopher Voltaire wrote centuries ago, "Doubt is not a pleasant condition, but certainty is an absurd one."

# Tool 1.1 The Five Fallacies of Fuzzy Thinking

Unless we're trained to do so, most of us do not naturally appreciate how automatic our thinking is; and even if we do,

we live with the unrealistic but confident sense that we know already—that we've figured out the way things really are and have done so objectively. Here are the five most common fallacies of fuzzy thinking:<sup>42</sup>

#### "It's True Because I Believe It."

(Innate Egocentrism) I assume that what I believe is true, even though I have never questioned the basis of many of my beliefs.

#### "It's True Because We Believe It."

(Innate Sociocentrism) I assume that the dominant beliefs within the groups to which I belong are true, even though I have never questioned the basis for many of those beliefs.

#### "It's True Because I Want To Believe It."

(Innate Wish Fulfillment) I believe in, for example, accounts of behavior that put me (or the groups to which I belong) in a positive rather than a negative light, even though I have not seriously considered the evidence for the more negative account. I believe what "feels good," what supports my other beliefs, what does not require me to change my thinking significantly, what does not require me to admit that I have been wrong.

#### "It's True Because I Have Always Believed It."

(Innate Self-validation) I have a strong desire to maintain beliefs that I have long held, even though I have not seriously considered the extent to which those beliefs are justified, given the evidence.

"It's True Because It's In My Selfish Interest To Believe It." (Innate Selfishness) I hold fast to beliefs that justify my getting more power, money, or personal advantage, even though those beliefs are not grounded in sound reasoning or evidence.

Most of us, most of the time, are not willing or able to go beyond these self-serving beliefs. We are truly the self-deceived animal. To be a leader, by contrast, means to be self-determined and requires a high level of competence in questioning your perspective. So the next time you face a particular issue, ask yourself, How am I looking at this? What are my assumptions? Am I basing my judgment on information I failed to verify? Might I be biased or blind to beliefs I never questioned before?

If you are a leader who intends to empower leaders around you—literally, to be a source of their power—part of your job description is to be cognizant of the clever, yet palpable and often destructive games people play, either to dominate others or to avoid domination by others. This can happen with the best of intentions. One top manager at a global bank was unaware of the huge impact his words had on his direct reports and all those below them. By virtue of his authority, people anxiously hung on every word he uttered, and an offhand remark of his might have huge ripple effects down the line. The idea is to make power conscious, which is essential if you want to exert it wisely. There are five distinct types of power; let's look at each in more detail.

# Tool 1.2 The Five Types of Power

#### **Reward Power**

Reward power is the authority leaders have to grant financial, status, and promotional rewards to their organization's human resources. A boss has reward power; he or she can give, or withhold, compensation, perks, or favors. A country's government might have reward power over another country's government if it can apply economic or diplomatic sanctions. It's important to understand where you exert reward power since your followers might fawn all over you and say how brilliant you are, when in fact it is just your reward power over them that has them say those nice things. (Especially if you're

a professor ...) Worse, they might tell you only what they think you like to hear instead of what you need to hear; the consequences can be disastrous.

#### **Expert/Information Power**

Information power and expert power both come from knowledge, expertise, and access to information sources that others do not have. Professors have expert power vis-à-vis their students. Financial analysts enjoy expert or information power over their clients (who can only pray that they won't abuse it). Knowledge workers have expert/information power to the extent that they know more than their bosses, which they do more often than not. Knowledge workers take their expert power home with them every night when they leave the office.

#### Legitimate Power

Legitimate power is conferred by the organization itself, not by the person who occupies a particular position. An elected official has legitimate power as long as the election's legitimacy is not contested. But you need not be in a democracy to have legitimate power. The Pope is elected only by the Cardinals, rather than by all Catholics; yet you could say his power is legitimate. A CEO is not elected but appointed, but his or her power is legitimate as long as the appointment happened according to clear rules and not by shooting their way into office.

#### Coercive Power

If someone comes to power not through clear rules but through a violent coup, they have coercive power. Jerry Rawlings, the former president of Ghana, did precisely that in the 1980s (but later subjected himself to free and fair elections and thus gained legitimate power). Coercive power is the ability of a leader to force others to do things they would not otherwise do. The most colorful example of coercive power is the mafia, but not it alone: the government enjoys coercive power over its citizens—it can extract taxes from us, and it can send some of

us into battle or to prison (in some states it can even have us killed). And managers have the power to force tasks on employees or fire them if they don't perform certain functions.

#### Referent Power

Referent power is derived from the esteem in which a leader is regarded by others. A star (Bono) or a supermodel (Kate Moss) might enjoy referent power; they get people to do things they would not otherwise do, such as putting on strange or expensive outfits. But Mahatma Gandhi also had referent power: he never held office, and his influence came from his charisma and the power people gave or referred to him. In business, the boss's executive assistant might have very little nominal power, but her (or his) referent power can be enormous: she (or he) knows who's who in the firm and controls access to the boss and the boss's agenda.

You have probably gathered that these types of power are not entirely separate but can overlap. Bill Gates, for example, can have expert power and reward power. Arnold Schwarzenegger enjoyed referent power as a body-builder and movie star, but also, more recently, legitimate power as governator (sorry, governor) of California.

# The Sun Will Set Without Thy Assistance

We feel a big disclaimer is needed here. Stand up for yourself and go beyond your limits, yes; but don't get carried away with your power or you'll get into trouble, like Leona Helmsley (née Leona Mindy Rosenthal), a former model who had posed in Chesterfield ads as a cigarette girl and who as part of a husband-and-wife team built up a real estate empire of \$50 billion at its peak, and owned or controlled such New York City landmarks as the Empire State Building, the Flatiron Building, 1 Penn Plaza, and six of New York's top hotels. The Helmsleys traveled in a 100-seat private jet and lived opulently among several homes;

in addition to their 10-room duplex with indoor pool atop the Park Lane Hotel, she added a mansion in Connecticut and a condo in Palm Beach, and kept a minimum of twelve pictures of herself in every room. A liveried butler bearing a silver platter of freshly-cooked shrimp was required to stand at attention while she did her early-morning laps in the pool; at the end of each lap he would hand her a shrimp. She overdid it, and her fortunes collapsed amid charges of greed and personal tyranny. When her only son died in 1982, she sued for his estate, leaving her four grandchildren with just \$432 apiece (her husband sued even for the money it had cost to fly the body to New York). The high life ended in 1989 when the couple was charged on 235 counts of evading more than \$4 million in taxes. Among other misdeeds, they were accused of buying personal items ranging from a \$210,000 mahogany table down to an \$8 girdle and charging them as business expenses.<sup>43</sup> Reportedly, she declared, "We don't pay taxes. Only little people pay taxes." Helmsley paid \$7.1 million in fines, served eighteen months in prison, and came to be reviled by the public as "the queen of mean."

Or take Maurice ("Hank") Greenberg, the former chief of the insurance giant AIG who regularly dressed down analysts. "You don't mess around with Hank," one of them said on condition of anonymity for fear of Greenberg's wrath. "He could squash me like a bug."44 Once a month, the imperial chairman would assemble his division presidents around a rectangular table in a large plain room on the sixteenth floor of AIG's headquarters. To start the chairman's meeting, as it was called, he would swing his eyes around the room and, like a stern law professor putting students on the spot, would finally let his gaze rest on one executive, who had a minute or so to rattle off current sales, expenses, profits, and any unusual developments. It was a crisp, charged atmosphere. Greenberg cowed even AIG board members with his dismissive treatment. "That's a ridiculous question," he reportedly snapped at a director who dared ask about AIG's books in a board meeting, "You don't understand the insurance business." Greenberg thought he had both the board and the regulators in his pocket. "That technique," said David Schiff, editor of Schiff's Insurance Observer, "stonewalling and pushing people around, worked for him for forty years."45 As late as

2000, Greenberg's approach was hailed by the *New York Times* as superior to that of even Warren Buffett, a model of corporate integrity and philanthropy, who spent his career of many decades seeking to integrate personal values like honesty, trust, and openness with the business and political worlds around him. But Greenberg's arrogance came back to haunt him when his own board fired him in 2005 from the very company he had built, and he himself came under scrutiny when federal regulators renewed their investigation into whether AIG had cooked its books. Within weeks, Greenberg's reputation was shattered and the company's value had fallen by as much as \$1.77 billion.

Not only that, Greenberg's son Jeffrey, who was his heir apparent before resigning from AIG in 1995 and becoming CEO of Marsh & McLennan, was forced to resign from that insurance giant amid three government investigations and accusations of bid-rigging, misleading customers, and raising the cost of insurance artificially to increase Marsh's profits. What had once been perhaps the most influential family in the global insurance industry lay in ruins, the *New York Times* wrote in a 180-degree reversal of its earlier adulation.<sup>46</sup>

To be fair, Greenberg and Helmsley were not the only ones to have outsized egos; notorious leaders tend to have them. And in fact, the idea of an individual with an ego (defined by *Webster's* dictionary as "the 'I' or self of any person...distinguishing itself from the selves of others and from objects of its thought" was a product of eighteenth-century enlightenment, after Descartes had came up with his dictum "Cogito, ergo sum" ("I think, therefore I am") that paved the way for all people to no longer be mere subjects of their kings or lords, but be individuals capable of conscious and independent thought. This powerful innovation once helped topple hereditary elites. But today, the ego has got out of hand. Authentic leaders need to know how to keep their ego in check. The access to greatness, the possibility to stand up and see eye to eye with the greatest rulers, and even with God, is a double-edged sword. It brings with it great power, but also great obligation; as the French say, noblesse oblige.

Already in the time of Exodus, God said: "And you shall be to me a nation of priests, and a holy people." This direct link of every human to divine holiness, and ultimately to God, has a price. A leader has an

obligation to make the maximum difference with his or her life and do what is possible for human beings. Great leaders focus not on themselves but on others and on the difference to be made. Leaving your own Egypt must be tempered with humility because you're never quite done becoming yourself. You don't pretend being someone you are not. You are like the people an old British philosopher addressed before his departure from the United States: "In 1776," he told them, "you Americans conquered your father. In 1861, you conquered your brother. In 1918 and again in 1945, you conquered your neighbors. Now all that remains for you to conquer is yourselves."49 Mastering yourself is the pinnacle of all conquests, and ultimately it is the only conquest available. No mortal ought to lord over another. That is why Jewish thought does not approve of lordship; there is only one Lord who heads up the universe. The Hebrew word lehishtamesh expresses this beautifully: a reflexive word, both active and passive, it means to use, but also to be used. We use life and life uses us.

The Hebrew language provides an even more profound reminder of humility. The word for I (ani) has the same letters, slightly rearranged, as the word for nothing (ayin). I have to remember that "I" am "nothing." Humility, Hasidic philosophy explains, means remembering that you are nothing by yourself. No matter what you have achieved, no matter how great a person you have become, none of your talents and qualities is of your own making. Whether you have a lot of creativity for innovation or a knack for languages, these gifts are God-given (that is why they are called gifts). And you have to assume that if someone else had been given these same gifts, they would have accomplished much more than you. Ultimately, being humble means to be aware of the divine as the source of all your life and successes. We are but specks in the all-encompassing universe. The greatest leaders knew this; Winston Churchill said, "We are all worms; but I am a glow-worm." Golda Meir put it even more wryly: "Don't be humble; you're not that great."

### Humility for the 21st Century

Even Rashi, the great eleventh-century commentator whose words appear on every page of the Torah, was not above saying a humble and well-timed "I don't know"; admitting his limitations only strengthened Rashi's credibility. Humility is a timeless virtue prized in Hasidic philosophy,<sup>50</sup> but it also happens to be a better fit for today's world. We are at the end of the era of larger-than-life leaders—be they Churchill or Roosevelt, the Baal Shem Tov or the Lubavitcher Rebbe, Greenberg or Welch—who towered mightily over their followers. In this new era, leadership will be in the hands of many, and a healthy dose of humility is crucial in a global market where you have to produce results across borders and respect the values of other cultures; a world of democratization and flattening hierarchies where frontline people or soldiers may know more than you do about reality on the ground, where shareholders or patients demand more voice, where knowledge workers may walk out if they find a better job, and where you cannot simply tell people what to do.

So if you're self-confident enough to check your ego at the door, it could be your best investment in the leadership of those around you, not to speak of your own peace of mind. Moses Maimonides, a rabbi, physician, philosopher, and pioneer of global citizenship far ahead of his time, lived in Spain, Morocco, Israel, and Egypt from 1135 to 1204, during the Golden Age of Jewish and Muslim partnership. His Hebrew name was Rabbi Moshe ben Maimon (RaMBaM or Rambam for short), and his Arabic name was Abu Imran Mussa bin Maimun ibn Abdallah al-Qurtubi al-Israili; he is most commonly known by his Greek name Maimonides, which also means son of Maimon. Maimonides was by far the most influential figure in medieval Jewish philosophy. A popular saying that also was his epitaph states: "From Moshe (of the Torah) to Moshe (Maimonides) there was none like Moshe." Despite (or because) of his great leadership, Maimonides warned that pride, arrogance, and an inflated ego are the main obstacles to happiness. He quoted Proverbs: "Do not glorify yourself before the king."51 Don't focus on your own glory. You will bring no honor to yourself. On the other hand, making your own ego small allows for divine inspiration

and wisdom. Great joy is born from the spiritual womb of nothingness. When you surrender your ego to serving others, making them happy, the result will be joy.

**Tip:** Humility might be the willingness to let go of your infantile will to power—the belief that "I want, therefore I should have." If unchecked, your limitless desire can be the source of much anxiety and psychic suffering. The Hasidic kabbalist Rabbi Yitzhak Ginsburgh said a few years ago: "Depression is ego. If I lower my ego, if I deserve nothing, then the worry vanishes."<sup>52</sup>

The problem is, you're never quite done letting go of your petty ego. What's beautiful about the commandment of leaving Egypt is that it's about the process, the journey of freeing yourself. "Somewhere, you always have to realize that you're constantly in a state of becoming," as Dylan put it once. "And as long as you can stay in that realm, you're sort of gonna be all right." But the ego is a formidable adversary, tough as nails and deeply ingrained, and it started with the first man, Adam, who let his ego go to his head. He thought that since he was God's creation, nothing could destroy him. His hubris is precisely what led to his downfall and exile from Eden. He forgot that his very name, the Hebrew word for human being (adam), has the same root as the word adamah (earth). Humans are made from dirt, and we would do well to remember at all times that in the words of King Solomon, we "all go to one place, all are of the dust, and all return to dust." 54

Humility is not something you get once and for all; it's not an item you can cross off on your checklist; you have to check your arrogance over and over again. And the ego is so cunning that it may pose even as modesty! Once two Hasidic rabbis came into a town and were greeted enthusiastically by thousands of people who streamed to the town square to meet the VIPs. One of the rabbis was so disgusted with the adulation that he proceeded to throw up. The other said to him, "Why do you get so excited? If you are ain, you are nothing. It's not about

you." The other rabbi knew that refusing admiration can still be a manifestation of ego.

Humility is not false modesty, nor does it imply that you should be a doormat and let people run all over you. Being a victim has nothing to do with humility. By contrast, when you're humble, you're still crystal-clear about who you are, your unique qualities. You don't let anyone trample on you or kick you around. You're still a force to be reckoned with, and you're standing in your full power—just not in your egoic arrogance. This is the essence of leaving your own Egypt.

Unlike Adam, Moses was a living example of this combination of selflessness and confidence, the Torah says: "And the man Moses was exceedingly humble, more than any man on the face of the earth." When God said that Moses would die as soon as he had seen the Promised Land and would in fact never himself enter the land, Moses immediately acquiesced and was willing to let go of his leadership role: "Let the Lord, source of the breath of all flesh, appoint someone [else] over the community." 56

Luckily, we need not go as far back as Moses to find humility; we can find it in modern leaders, in science, art, education, politics, and business. Take Albert Einstein, one of the most influential thought-leaders of our time. The story goes that one afternoon he was playing the violin with some friends in a chamber group. Unfortunately it was not going well. Finally, after several false starts, the conductor turned to him, scowled in frustration, and asked, "Einstein! Can't you count?"<sup>57</sup> Even the most revered scientist of the twentieth century, a man richly deserving of portrayal as genius, was a human being with weaknesses just like the rest of us.

Physicists call the year 1905 Einstein's miracle year because in those twelve months alone, he achieved the unimaginable: publishing four papers, each of which resulted in deep changes in how we understand the universe. One, about quantum mechanics, challenged not only previous laws of physics, as the other three (two about relativity and one proving conclusively the existence of atoms) had done, but called into question the entire century-old framework of physics itself, in particular its ability to make definite predictions. After Einstein, it became forever clear that the most physics can do is predict the *probability* that

things will turn out one way—or another way, or still another. And true to form, far from resting on the laurels of his place in the pantheon of humanity's greatest thinkers, Einstein was gnawed by doubts about his own discovery. As long as he lived, he was never comfortable with it.<sup>58</sup> He was intellectually too humble for that.

In the arts, humility is rare; so many stars are so full of themselves. But not every star is a diva. When Sonny Rollins, arguably one of the most innovative and original jazz musicians of our age, was asked how his big concert at the 2005 Montreal Jazz Festival had gone, he answered in his froggy voice: "Well, I don't know. I look at all that from the inside, so you'd probably have to ask someone else." He constantly laced his comments with humility. "I don't want this to sound selfaggrandizing," he said. "In my later years I've become very self-effacing. I have decided that I know what greatness is, and I don't want to put myself in that category." Asked if there were any of his recorded performances that didn't pain him with thoughts of how it could have gone better, he hesitated. "It's hard to say," he finally answered, "because I haven't listened to any of my stuff in a long time. Unless it's on the radio, and I can't leave the room." But then he gave a hint of the irrepressible human spirit that is the theme of this chapter: "This is what jazz is: jazz is freedom."59

If you're an expert or teacher, it's tempting to think that you already know everything, that you have the answers, and that you're miles ahead of your students. Meet the opposite of that attitude: doctor and teacher Henryk Goldszmit, who wrote under the pen name Janusz Korczak and whom some called the Dr. Seuss of Poland, is virtually forgotten today. His bestsellers, such as the 1919 *How to Love a Child*, and his radio show in the 1930s (until it was canceled due to complaints by Polish anti-semites) changed how parents treated children in a society that still clung to stern Victorian ideas of education. In the 1930s, he founded an orphanage in the Warsaw ghetto and was a light in the heart of darkness. Because of his fame, Korczak's non-Jewish friends offered him more than one chance to get out. They had bribed Nazi guards and gotten him forged identity papers. But he refused to abandon the children. "When a child is sick, you don't leave him alone in the middle of the night," he told them. Korczak was a rare hero of his time. But he didn't like the idea of heroes.

Oversized characters, he taught, dwarf our imagination and make us forget that ordinary people can do extraordinary things, too.

During the time of the Warsaw ghetto, a local newspaper published an article that lauded Korczak for his efforts to keep the orphanage going. In the next issue, a dissenting letter to the editor said, "The Orphans Home has never been, and will never be, Korczak's orphanage. That man is too small, too weak, too poor, and too dimwitted to gather almost 200 children, house, clothe and feed them. This great task has been accomplished by the joint efforts of hundreds of goodwilled people."

The letter was signed by Janusz Korczak.<sup>60</sup>

Yes, there are even political leaders who are humble. After Abraham Lincoln won the presidency, he made an unprecedented decision. Possessing enough self-knowledge to know that he did not bring all the qualities needed for effective governing, he had the humility, and the guts, to appoint the most brilliant political minds of his generation, some of whom had been bitter rivals for the nomination and openly disdained the backwoods lawyer who had come out of nowhere, to key posts in his cabinet. His competitors came to revere Lincoln as the greatest leader they had ever known.

Five generations after Lincoln, the CEO met another newly elected president in 1994 and was immediately struck by the South African leader's humility. Nelson Mandela was clearly reluctant to talk about himself. When asked what he considered his greatest accomplishments, he snapped, "Such a question is very important and should be put in writing first." In any case, "they are not my accomplishments," he said. "Everything I have done is to do with the ANC [African National Congress]. I do not make the decisions alone. When I decide to act, it is something that we discuss. I think it is a mistake to think in terms of the Mandela years. It is the era of the liberation forces." This is not just pseudo-modest talk. When Mandela was elected, he gave up the presidential mansion to his co-president (and former archrival) Frederik de Klerk. And after being in office barely a year, he invited the widows of former presidents, his sworn enemies who had locked him away in prison for twenty-seven years, to tea; guests included Betsy Verwoerd, whose husband Hendrik F. Verwoerd had been a principal

architect of apartheid. The 94-year-old former first lady was too frail to come, so Mandela traveled to the whites-only enclave where she lived to meet her.<sup>61</sup>

Last but not least, humility yields rich results even in business. Paul Flessner, senior VP of server applications, grew Microsoft's database business from \$50 million a year (when he took it on) on to over \$1 billion a year. Today Flessner leads about 2,500 people, but he seems to keep his ego in check; he hates publicity and usually insists that photographs of him also include his team members. "Good managers in general are a rare thing," Barry Goffe, a group manager who used to work for Flessner, said; "and good managers capable of overseeing a vast collection of rocket-scientists who have egos and opinions are even rarer." 62

At the Finnish telecommunications giant Nokia, humility has become a cultural norm. Task forces at all levels of the organization take on major tasks. Almost every assignment of any importance at Nokia is given to a team, even running the whole firm. A five-person team—the CEO, the president, the head of mobile phones, the head of the network equipment business, and the CFO—has been at Nokia's helm for so long that they seem inseparable. "First of all it comes from how the management team works, how they communicate," former CEO Jorma Olilla said in an interview. "Is it a political setup, one with lots of hidden agendas? I think we have had through the years, particularly through the '90s, a particularly strong culture of none of that nonsense."63 Egos or superstars have no place at Nokia; the company has systematically bred a culture of teamwork. The spirit reaches even outside Nokia: Executives are committed to open standards and interoperability in wireless devices with an almost religious zeal, and periodically sign deals with competitors to develop shared operating systems and standards.

The Finnish telecom is far from alone. Judaism has long known the importance of teams as a check and balance of leadership. God told Moses to gather 70 elders , and a Jewish court consists of 23 rabbis (the minimum is three) since God is the only leader who can lead alone. Teambased organization designs at senior levels have replaced more traditional executive structures in many firms. A study of 277 Fortune Service 500 and Industrial 500 firms showed that in the 1960s, top-level teams ex-

isted in only 8 percent of companies (modern teamwork had been spearheaded by the Swiss pharma industry). By the 1980s, 25 percent of firms had established top-level teams, a threefold increase.<sup>64</sup> Today, the team model is a strong alternative to the two-person CEO/COO structure; it has emerged to tackle increasingly complex internal and external demands on organizations, as well as to the age-old issue of executive succession. In many firms team-based organization designs improved coordination among the departments and functions of a complex enterprise. The result was a synergy in which the added value of a team was greater than the overhead costs of coordinating their collective work. With this synergy came productivity: by the late 1990s, research of over 2,000 firms in Great Britain showed that teamwork clearly improved their financial performance on average (although it also showed that autonomous teams didn't do any better than closely supervised teams); and an analysis of 131 studies of teamwork and productivity found that of all organizational development interventions, team-building has the highest impact on financial results.65

#### The Bottom Line

- To earn the right to lead, you begin by leading yourself out of your own Egypt (the Hebrew name for Egypt also means the narrows). Leadership is in large part a commitment to selfdetermination, to ending the slavery, and to taking charge of yourself.
- Before you can envision the future, you examine yourself your motives for leading, your assumptions, your principles and values, your blind spots. Leaders who failed to practice self-knowledge, from Nero to Hitler to Ken Lay and Jeff Skilling, wreaked havoc around them.

- How do you practice leaving your own Egypt? You take 100 percent responsibility (Jews are directly accountable to God). You constantly check what principles and values your actions are based on. You decode your own background conversations and blind spots.
- As you lead, be aware of what type(s) of power you exert over other people, and what type(s) of power they exert over you, or you might be in for a rude awakening later.
- Going beyond your limits must be coupled with humility. The costs of hubris can be huge, while checking your ego yields rich results.