

Kevin Carroll
Former
Creative Director
Nike

BORN *and* BRED

Corporations, large and small, are investing in creating leaders while others are taking natural born leaders and improving their skills.

By Kathleen J. Kiley

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re leaders born, or can they be created? Can they be effective if they don't have passion?

Around the time *Executive Decision* started asking these questions, financier Carl C. Icahn was blasting corporate leaders. "Morons" were running Corporate America, he said in a recent *New York Times* article. Contrary to Icahn's opinion, we found corporations, large and small, are investing in creating leaders, while others are taking natural born leaders and improving their skills.

Developing future leaders will hopefully reduce the "morons" running amuck with shareholders' value and perhaps make Icahn a happier shareholder in the process. "Effective leaders can be created, but they don't have to be passionate," says Bob Dilenschneider, founder of the New York-based Dilenschneider Group. Dilenschneider, who coaches some of the world's top CEOs says, "Of course, being passionate helps." Effective leaders have to define the company's vision and get people to rally behind him, he says. "But passionate leaders don't last forever, because being one can be emotionally draining."

Nokia chairman and chief executive officer Jarmo Ollila's personal vision took the Finnish company from a failing high-tech provider to the world's largest mobile phone powerhouse over the past decade. Under Ollila, the company

Jarmo Ollila
Chairman & CEO
Nokia



Sir Richard Branson
Chairman
British Virgin Group



went from being a money-losing conglomerate, to making nearly \$35 billion a year. He believes that leaders should be the focal point of a company's vision, radiating that vision to the rest of the organization. "A leader should be a creative and talented person who has a teachable point of view on business ideas and values, and they must have a personal vision that can be [codified], embodied as a story and communicated," Ollila says.

Sir John Bond, British HSBC group chairman, who grew HSBC to becoming the second-largest bank in the world with \$180 billion in assets under management, also believes that effective leadership is all about communicating values. "All business is about people. What we try to do is make sure the fixed core values that we have are understood universally. We believe in the diversity of cultures; we operate within many different ones. But our vision for the bank has to work with whatever local culture it is surrounded by."

European companies are taking these desirable leadership traits to model behavior. Referred to as "belief modeling," companies observe leaders to find out what traits produce desired results. In addition, companies are studying their beliefs to determine how they drive behavior, says Paul Beeston, a consultant with the U.K.-based Mission Coach firm. "The world is full of people who have a skill, ability or behavior we really admire and would like to have ourselves," he says. "Belief modeling is a very effective way of

laying the foundation upon which that skill or ability can be acquired."

Sir Richard Branson, chairman of the \$8 billion British Virgin Group, known for building a group of 170 companies from scratch, is an advocate of modeling. "We provide a model of creativity and innovation, and give employees the freedom to emulate that model without interference," he says. "Teach them to challenge the status quo; make it okay to try new things. To learn and grow, mistakes have to be made."

Branson's new challenge is developing commercial flights to space. Virgin Galactic, the first company to do so, expects to launch its first flight in 2008, according to the company. The cost to fly to space: a mere \$200,000. Sound too pricey and far-out? It's Branson's push-the-envelope way of doing business. Having fun is also part of the push, he says. "That attitude needs to be communicated to the rest of the company," Branson adds. "At the company party, the chairman should be the first one to jump in the swimming pool fully clothed. That kind of example makes him a human being."

If companies are looking for a Branson-type leader or employees that have similar traits, there are scores of models, such as PI Worldwide's predictive index. "It can identify personal strengths and natural behaviors and leverage them," says Monalo Packard, a partner in Wipfli LLP, a licensor of PI technology. For instance, Wisconsin-based Johnsonville Sausage, one of the U.S.'s largest sausage makers, uses a

predictive index for hiring and developing leaders at all company levels, says Don McAdams, director of member (employee) development at Johnsonville. "If you don't get the right person in the door, it's going to be a struggle," says McAdams.

In 1997, the company started to use PI to find employees that would fit into the family-run business that eschews layers of management. The PI index helps McAdams and his team develop each position's behavioral characteristics and then find the right match. "We look for passion, which is a big piece for us," he says. "Passion defines the person who is internally driven to be successful."

Asked about the bottom-line effect of tools such as PI, McAdams replies that it's difficult to say one tool alone boosts company profits. But he adds, sales have doubled since 1999. "Instead of hiring good people, now we have great people." The company earns between \$450 and \$500 million in sales.

Over the next decade, corporations could see better-trained leaders because business schools are investing in leadership training courses. The Wharton School works at building leadership skills at the individual, team, and organizational level, says Evan Wittenberg, director of Wharton's Graduate Leadership Program. "First-year students have to learn how to work effectively with teammates they didn't get a choice in selecting, while second-year students learn the vital skill of how to select a team for maximum effectiveness."

Kevin Carroll, former "master storyteller" at Nike and head trainer of the Philadelphia 76ers, has that winning combination of being able to lead with passion, similar to Branson. Carroll has been credited with changing how Nike designs its shoes by "immersing" the designers in the athlete's world. Carroll, who's also a former Air Force intelligence translator and speaks five languages, adds that leaders need to foster a creative environment.

Play is important to Carroll; it's also serious business, he says. Nurturing a creative and playful environment can produce enormous results: it's the difference between being a "me-too" brand and standing out, he says. "A creative breakthrough doesn't have to be a big 'ah-ha'; it can be a one-degree change."

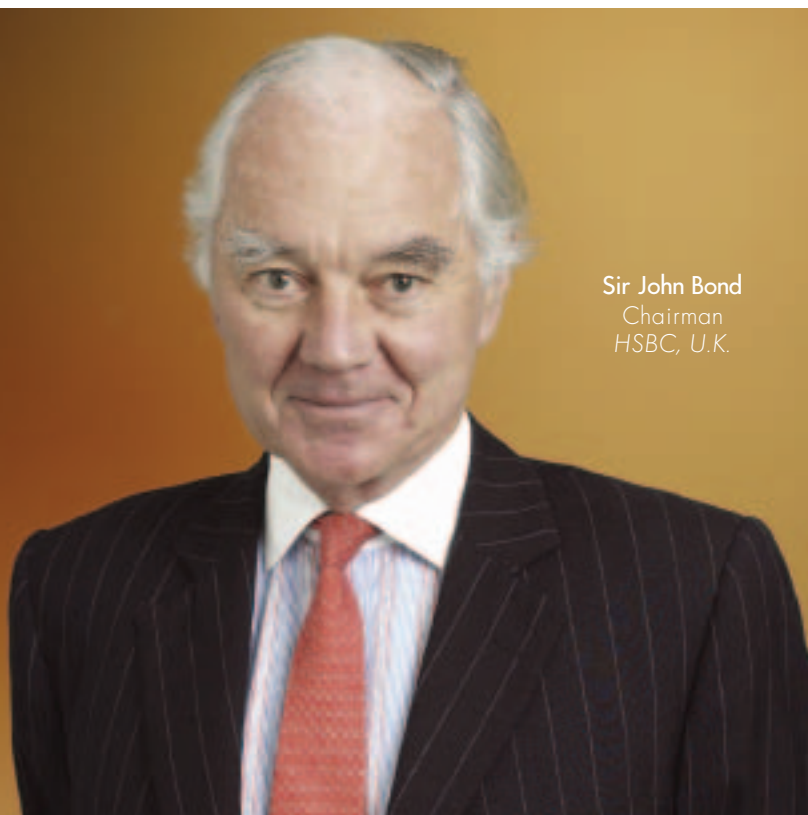
The same seems to be true for creating leaders. Whether people were born to lead, they don't have all the skills needed to lead in every situation, Dilenschneider says. Some will have to change a certain number of degrees; some more than others.●

Additional reporting provided by Andrew Rosenbaum from Europe.

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Creative Breakthrough

1. Leaders are not only born, but can be created. Even born leaders need to improve their skills.
2. Passion, defined as the ability to be self-motivated, is a bonus in leadership. CEOs and other executives don't have to have passionate personalities but they do have to be passionate about the company's vision.
3. Companies are investing in models that help find and build leaders, from predictive tools to using a leader's attributes to create new leaders.
4. Teams play an important part in leadership. Companies aren't leaving the leading to one person these days. A supportive team is key to inspire others around a company's mission.
5. Leaders need to foster a creative and playful environment. It's the difference between being a "me-too" brand and standing out.●



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Chairman
HSBC, U.K.

For more information about the Predictive Index, visit our website at: www.PIworldwide.com. To speak to the PI consultant nearest you, please call 800-832-8884 or email us at: info@PIworldwide.com.



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