

# Discovering Your Authentic Leadership

**We all have the capacity to inspire and empower others. But we must first be willing to devote ourselves to our personal growth and development as leaders.**

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**by Bill George, Peter Sims, Andrew N. McLean, and Diana Mayer**

During the past 50 years, leadership scholars have conducted more than 1,000 studies in an attempt to determine the definitive styles, characteristics, or personality traits of great leaders. None of these studies has produced a clear profile of the ideal leader. Thank goodness. If scholars had produced a cookie-cutter leadership style, individuals would be forever trying to imitate it. They would make themselves into personae, not people, and others would see through them immediately.

No one can be authentic by trying to imitate someone else. You can learn from others' experiences, but there is no way you can be successful when you are trying to be like them. People trust you when you are genuine and authentic, not a replica of someone else. Amgen CEO and president Kevin Sharer, who gained priceless experience working as Jack Welch's assistant in the 1980s, saw the downside of GE's cult of personality in those days. "Everyone wanted to be like Jack," he explains. "Leadership has many voices. You need to be who you are, not try to emulate somebody else."

Over the past five years, people have developed a deep distrust of leaders. It is increasingly evident that we need a new kind of business leader in the twenty-first century. In 2003, Bill George's book, *Authentic Leadership: Rediscovering the Secrets to Creating Lasting Value*, challenged a new generation to lead authentically. Authentic leaders demonstrate a passion for their purpose, practice their values consistently, and lead with their hearts as well as their heads. They establish long-term, meaningful relationships and have the self-discipline to get results. They know who they are.

Many readers of *Authentic Leadership*, including several CEOs, indicated that they had a tremendous desire to become authentic leaders and wanted to know how. As a result, our research team set out to answer the question, "How can people become and remain authentic leaders?" We interviewed 125 leaders to learn how they developed their leadership abilities. These interviews constitute the largest in-depth study of leadership development ever undertaken. Our interviewees discussed openly and honestly how they realized their potential and candidly shared their life stories, personal struggles, failures, and triumphs.

The people we talked with ranged in age from 23 to 93, with no fewer than 15 per decade. They were chosen based on their reputations for authenticity and effectiveness as leaders, as well as our personal knowledge of them. We also solicited recommendations from other leaders and academics. The resulting group includes women and men from a diverse array of racial, religious, and socioeconomic backgrounds and nationalities. Half of them are CEOs, and the other half comprises a range of profit and non-profit leaders, midcareer leaders, and young leaders just starting on their journeys.

After interviewing these individuals, we believe we understand why more than 1,000 studies have not produced a profile of an ideal leader. Analyzing 3,000 pages of transcripts, our team was startled to see that these people did not identify any universal characteristics, traits, skills, or styles that led to their success. Rather, their leadership emerged from their life stories. Consciously and subconsciously, they were constantly

testing themselves through real-world experiences and reframing their life stories to understand who they were at their core. In doing so, they discovered the purpose of their leadership and learned that being authentic made them more effective.

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These findings are extremely encouraging: You do not have to be born with specific characteristics or traits of a leader. You do not have to wait for a tap on the shoulder. You do not have to be at the top of your organization. Instead, you can discover your potential right now. As one of our interviewees, Young & Rubicam chairman and CEO Ann Fudge, said, "All of us have the spark of leadership in us, whether it is in business, in government, or as a non-profit volunteer. The challenge is to understand ourselves well enough to discover where we can use our leadership gifts to serve others."

Discovering your authentic leadership requires a commitment to developing yourself. Like musicians and athletes, you must devote yourself to a lifetime of realizing your potential. Most people Kroger CEO David Dillon has seen become good leaders were self-taught. Dillon said, "The advice I give to individuals in our company is not to expect the company to hand you a development plan. You need to take responsibility for developing yourself."

In the following pages, we draw upon lessons from our interviews to describe how people become authentic leaders. First and most important, they frame their life stories in ways that allow them to see themselves not as passive observers of their lives but rather as individuals who can develop self-awareness from their experiences. Authentic leaders act on that awareness by practicing their values and principles, sometimes at substantial risk to themselves. They are careful to balance their motivations so that they are driven by these inner values as much as by a desire for external rewards or recognition. Authentic leaders also keep a strong support team around them, ensuring that they live integrated, grounded lives.

### **Learning from Your Life Story**

The journey to authentic leadership begins with understanding the story of your life. Your life story provides the context for your experiences, and through it, you can find the inspiration to make an impact in the world. As the novelist John Barth once wrote, "The story of your life is not your life. It is your story." In other words, it is your personal narrative that matters, not the mere facts of your life. Your life narrative is like a permanent recording playing in your head. Over and over, you replay the events and personal interactions that are important to your life, attempting to make sense of them to find your place in the world.

While the life stories of authentic leaders cover the full spectrum of experiences—including the positive impact of parents, athletic coaches, teachers, and mentors—many leaders reported that their motivation came from a difficult experience in their lives. They described the transformative effects of the loss of a job; personal illness; the untimely death of a close friend or relative; and feelings of being excluded, discriminated against, and rejected by peers. Rather than seeing themselves as victims, though, authentic leaders used these formative experiences to give meaning to their lives. They reframed these events to rise above their challenges and to discover their passion to lead.

Let's focus now on one leader in particular, Novartis chairman and CEO Daniel Vasella,

whose life story was one of the most difficult of all the people we interviewed. He emerged from extreme challenges in his youth to reach the pinnacle of the global pharmaceutical industry, a trajectory that illustrates the trials many leaders have to go through on their journeys to authentic leadership.

Vasella was born in 1953 to a modest family in Fribourg, Switzerland. His early years were filled with medical problems that stoked his passion to become a physician. His first recollections were of a hospital where he was admitted at age four when he suffered from food poisoning. Falling ill with asthma at age five, he was sent alone to the mountains of eastern Switzerland for two summers. He found the four-month separations from his parents especially difficult because his caretaker had an alcohol problem and was unresponsive to his needs.

At age eight, Vasella had tuberculosis, followed by meningitis, and was sent to a sanatorium for a year. Lonely and homesick, he suffered a great deal that year, as his parents rarely visited him. He still remembers the pain and fear when the nurses held him down during the lumbar punctures so that he would not move. One day, a new physician arrived and took time to explain each step of the procedure. Vasella asked the doctor if he could hold a nurse's hand rather than being held down. "The amazing thing is that this time the procedure didn't hurt," Vasella recalls. "Afterward, the doctor asked me, 'How was that?' I reached up and gave him a big hug. These human gestures of forgiveness, caring, and compassion made a deep impression on me and on the kind of person I wanted to become."

Throughout his early years, Vasella's life continued to be unsettled. When he was ten, his 18-year-old sister passed away after suffering from cancer for two years. Three years later, his father died in surgery. To support the family, his mother went to work in a distant town and came home only once every three weeks. Left to himself, he and his friends held beer parties and got into frequent fights. This lasted for three years until he met his first girlfriend, whose affection changed his life.

At 20, Vasella entered medical school, later graduating with honors. During medical school, he sought out psychotherapy so he could come to terms with his early experiences and not feel like a victim. Through analysis, he reframed his life story and realized that he wanted to help a wider range of people than he could as an individual practitioner. Upon completion of his residency, he applied to become chief physician at the University of Zurich; however, the search committee considered him too young for the position.

Disappointed but not surprised, Vasella decided to use his abilities to increase his impact on medicine. At that time, he had a growing fascination with finance and business. He talked with the head of the pharmaceutical division of Sandoz, who offered him the opportunity to join the company's U.S. affiliate. In his five years in the United States, Vasella flourished in the stimulating environment, first as a sales representative and later as a product manager, and advanced rapidly through the Sandoz marketing organization.

When Sandoz merged with Ciba-Geigy in 1996, Vasella was named CEO of the combined companies, now called Novartis, despite his young age and limited experience. Once in the CEO's role, Vasella blossomed as a leader. He envisioned the opportunity to build a great global health care company that could help people through lifesaving new drugs, such as Gleevec, which has proved to be highly effective for patients with chronic myeloid leukemia. Drawing on the physician role models of his youth, he built an entirely new Novartis culture centered on compassion, competence, and competition. These moves established Novartis as a giant in the industry and Vasella as a compassionate leader.

Vasella's experience is just one of dozens provided by authentic leaders who traced their inspiration directly from their life stories. Asked what empowered them to lead, these leaders consistently replied that they found their strength through transformative experiences. Those experiences enabled them to understand the deeper purpose of their leadership.

### **Knowing Your Authentic Self**

When the 75 members of Stanford Graduate School of Business's Advisory Council were asked to recommend the most important capability for leaders to develop, their answer was nearly unanimous: self-awareness. Yet many leaders, especially those early in their careers, are trying so hard to establish themselves in the world that they leave little time for self-exploration. They strive to achieve success in tangible ways that are recognized in the external world—money, fame, power, status, or a rising stock price. Often their drive enables them to be professionally successful for a while, but they are unable to sustain that success. As they age, they may find something is missing in their lives and realize they are holding back from being the person they want to be. Knowing their authentic selves requires the courage and honesty to open up and examine their experiences. As they do so, leaders become more humane and willing to be vulnerable.

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Of all the leaders we interviewed, David Pottruck, former CEO of Charles Schwab, had one of the most persistent journeys to self-awareness. An all-league football player in high school, Pottruck became MVP of his college team at the University of Pennsylvania. After completing his MBA at Wharton and a stint with Citigroup, he joined Charles Schwab as head of marketing, moving from New York to San Francisco. An extremely hard worker, Pottruck could not understand why his new colleagues resented the long hours he put in and his aggressiveness in pushing for results. "I thought my accomplishments would speak for themselves," he said. "It never occurred to me that my level of energy would intimidate and offend other people, because in my mind I was trying to help the company."

Pottruck was shocked when his boss told him, "Dave, your colleagues do not trust you." As he recalled, "That feedback was like a dagger to my heart. I was in denial, as I didn't see myself as others saw me. I became a lightning rod for friction, but I had no idea how self-serving I looked to other people. Still, somewhere in my inner core the feedback resonated as true." Pottruck realized that he could not succeed unless he identified and overcame his blind spots.

Denial can be the greatest hurdle that leaders face in becoming self-aware. They all have egos that need to be stroked, insecurities that need to be smoothed, fears that need to be allayed. Authentic leaders realize that they have to be willing to listen to feedback—especially the kind they don't want to hear. It was only after his second divorce that Pottruck finally was able to acknowledge that he still had large blind spots: "After my second marriage fell apart, I thought I had a wife-selection problem." Then he worked with a counselor who delivered some hard truths: "The good news is you do not have a wife-selection problem; the bad news is you have a husband-behavior problem." Pottruck then made a determined effort to change. As he described it, "I was like a guy who has had three heart attacks and finally realizes he has to quit smoking and lose some weight."

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These days Pottruck is happily remarried and listens carefully when his wife offers constructive feedback. He acknowledges that he falls back on his old habits at times, particularly in high stress situations, but now he has developed ways of coping with stress. "I have had enough success in life to have that foundation of self-respect, so I can take the criticism and not deny it. I have finally learned to tolerate my failures and disappointments and not beat myself up."

### **Your Development as an Authentic Leader**

#### **Practicing Your Values and Principles**

The values that form the basis for authentic leadership are derived from your beliefs and convictions, but you will not know what your true values are until they are tested under pressure. It is relatively easy to list your values and to live by them when things are going well. When your success, your career, or even your life hangs in the balance, you learn what is most important, what you are prepared to sacrifice, and what trade-offs you are willing to make.

Leadership principles are values translated into action. Having a solid base of values and testing them under fire enables you to develop the principles you will use in leading. For example, a value such as "concern for others" might be translated into a leadership principle such as "create a work environment where people are respected for their contributions, provided job security, and allowed to fulfill their potential."

Consider Jon Huntsman, the founder and chairman of Huntsman Corporation. His moral values were deeply challenged when he worked for the Nixon administration in 1972, shortly before Watergate. After a brief stint in the U.S. Department of Health, Education, and Welfare (HEW), he took a job under H.R. Haldeman, President Nixon's powerful chief of staff. Huntsman said he found the experience of taking orders from Haldeman "very mixed. I wasn't geared to take orders, irrespective of whether they were ethically or morally right." He explained, "We had a few clashes, as plenty of things that Haldeman wanted to do were questionable. An amoral atmosphere permeated the White House."

One day, Haldeman directed Huntsman to help him entrap a California congressman who had been opposing a White House initiative. The congressman was part owner of a plant that reportedly employed undocumented workers. To gather information to embarrass the congressman, Haldeman told Huntsman to get the plant manager of a company Huntsman owned to place some undocumented workers at the congressman's plant in an undercover operation.

"There are times when we react too quickly and fail to realize immediately what is right and wrong," Huntsman recalled. "This was one of those times when I didn't think it through. I knew instinctively it was wrong, but it took a few minutes for the notion to percolate. After 15 minutes, my inner moral compass made itself noticed and enabled me to recognize this wasn't the right thing to do. Values that had accompanied me since childhood kicked in. Halfway through my conversation with our plant manager, I said to him, 'Let's not do this. I don't want to play this game. Forget that I called.'"

Huntsman told Haldeman that he would not use his employees in this way. "Here I was saying no to the second most powerful person in the country. He didn't appreciate responses like that, as he viewed them as signs of disloyalty. I might as well have been saying farewell. So be it. I left within the next six months."

## **Balancing Your Extrinsic and Intrinsic Motivations**

Because authentic leaders need to sustain high levels of motivation and keep their lives in balance, it is critically important for them to understand what drives them. There are two types of motivations—extrinsic and intrinsic. Although they are reluctant to admit it, many leaders are propelled to achieve by measuring their success against the outside world's parameters. They enjoy the recognition and status that come with promotions and financial rewards. Intrinsic motivations, on the other hand, are derived from their sense of the meaning of their life. They are closely linked to one's life story and the way one frames it. Examples include personal growth, helping other people develop, taking on social causes, and making a difference in the world. The key is to find a balance between your desires for external validation and the intrinsic motivations that provide fulfilment in your work.

Many interviewees advised aspiring leaders to be wary of getting caught up in social, peer, or parental expectations. Debra Dunn, who has worked in Silicon Valley for decades as a Hewlett-Packard executive, acknowledged the constant pressures from external sources: "The path of accumulating material possessions is clearly laid out. You know how to measure it. If you don't pursue that path, people wonder what is wrong with you. The only way to avoid getting caught up in materialism is to understand where you find happiness and fulfilment."

Moving away from the external validation of personal achievement is not always easy. Achievement-oriented leaders grow so accustomed to successive accomplishments throughout their early years that it takes courage to pursue their intrinsic motivations. But at some point, most leaders recognize that they need to address more difficult questions in order to pursue truly meaningful success. McKinsey's Alice Woodwark, who at 29 has already achieved notable success, reflected: "My version of achievement was pretty naive, born of things I learned early in life about praise and being valued. But if you're just chasing the rabbit around the course, you're not running toward anything meaningful."

Intrinsic motivations are congruent with your values and are more fulfilling than extrinsic motivations. John Thain, CEO of the New York Stock Exchange, said, "I am motivated by doing a really good job at whatever I am doing, but I prefer to multiply my impact on society through a group of people." Or as Ann Moore, chairman and CEO of Time, put it, "I came here 25 years ago solely because I loved magazines and the publishing world." Moore had a dozen job offers after business school but took the lowest-paying one with Time because of her passion for publishing.

## **Building Your Support Team**

Leaders cannot succeed on their own; even the most outwardly confident executives need support and advice. Without strong relationships to provide perspective, it is very easy to lose your way.

Authentic leaders build extraordinary support teams to help them stay on course. Those teams counsel them in times of uncertainty, help them in times of difficulty, and celebrate with them in times of success. After their hardest days, leaders find comfort in being with people on whom they can rely so they can be open and vulnerable. During the low points, they cherish the friends who appreciate them for who they are, not what they are. Authentic leaders find that their support teams provide affirmation, advice, perspective, and calls for course corrections when needed.

How do you go about building your support team? Most authentic leaders have a multifaceted support structure that includes their spouses or significant others, families,

mentors, close friends, and colleagues. They build their networks over time, as the experiences, shared histories, and openness with people close to them create the trust and confidence they need in times of trial and uncertainty. Leaders must give as much to their supporters as they get from them so that mutually beneficial relationships can develop.

It starts with having at least one person in your life with whom you can be completely yourself, warts and all, and still be accepted unconditionally. Often that person is the only one who can tell you the honest truth. Most leaders have their closest relationships with their spouses, although some develop these bonds with another family member, a close friend, or a trusted mentor. When leaders can rely on unconditional support, they are more likely to accept themselves for who they really are.

Many relationships grow over time through an expression of shared values and a common purpose. Randy Komisar of venture capital firm Kleiner Perkins Caufield & Byers said his marriage to Hewlett-Packard's Debra Dunn is lasting because it is rooted in similar values. "Debra and I are very independent but extremely harmonious in terms of our personal aspirations, values, and principles. We have a strong resonance around questions like, 'What is your legacy in this world?' It is important to be in sync about what we do with our lives."

Many leaders have had a mentor who changed their lives. The best mentoring interactions spark mutual learning, exploration of similar values, and shared enjoyment. If people are only looking for a leg up from their mentors, instead of being interested in their mentors' lives as well, the relationships will not last for long. It is the two-way nature of the connection that sustains it.

Personal and professional support groups can take many forms. Piper Jaffray's Tad Piper is a member of an Alcoholics Anonymous group. He noted, "These are not CEOs. They are just a group of nice, hard-working people who are trying to stay sober, lead good lives, and work with each other about being open, honest, and vulnerable. We reinforce each other's behavior by talking about our chemical dependency in a disciplined way as we go through the 12 steps. I feel blessed to be surrounded by people who are thinking about those kinds of issues and actually doing something, not just talking about them."

Bill George's experiences echo Piper's: In 1974, he joined a men's group that formed after a weekend retreat. More than 30 years later, the group is still meeting every Wednesday morning. After an opening period of catching up on each other's lives and dealing with any particular difficulty someone may be facing, one of the group's eight members leads a discussion on a topic he has selected. These discussions are open, probing, and often profound. The key to their success is that people say what they really believe without fear of judgment, criticism, or reprisal. All the members consider the group to be one of the most important aspects of their lives, enabling them to clarify their beliefs, values, and understanding of vital issues, as well as serving as a source of honest feedback when they need it most.

### **Integrating Your Life by Staying Grounded**

Integrating their lives is one of the greatest challenges leaders face. To lead a balanced life, you need to bring together all of its constituent elements—work, family, community, and friends—so that you can be the same person in each environment. Think of your life as a house, with a bedroom for your personal life, a study for your professional life, a family room for your family, and a living room to share with your friends. Can you knock down the walls between these rooms and be the same person in each of them?

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As John Donahoe, president of eBay Marketplaces and former worldwide managing director of Bain, stressed, being authentic means maintaining a sense of self no matter where you are. He warned, "The world can shape you if you let it. To have a sense of yourself as you live, you must make conscious choices. Sometimes the choices are really hard, and you make a lot of mistakes."

Authentic leaders have a steady and confident presence. They do not show up as one person one day and another person the next. Integration takes discipline, particularly during stressful times when it is easy to become reactive and slip back into bad habits. Donahoe feels strongly that integrating his life has enabled him to become a more effective leader. "There is no nirvana," he said. "The struggle is constant, as the trade-offs don't get any easier as you get older." But for authentic leaders, personal and professional lives are not a zero-sum game. As Donahoe said, "I have no doubt today that my children have made me a far more effective leader in the workplace. Having a strong personal life has made the difference."

Leading is high-stress work. There is no way to avoid stress when you are responsible for people, organizations, outcomes, and managing the constant uncertainties of the environment. The higher you go, the greater your freedom to control your destiny but also the higher the degree of stress. The question is not whether you can avoid stress but how you can control it to maintain your own sense of equilibrium.

Authentic leaders are constantly aware of the importance of staying grounded. Besides spending time with their families and close friends, authentic leaders get physical exercise, engage in spiritual practices, do community service, and return to the places where they grew up. All are essential to their effectiveness as leaders, enabling them to sustain their authenticity.

### **Empowering People to Lead**

Now that we have discussed the process of discovering your authentic leadership, let's look at how authentic leaders empower people in their organizations to achieve superior long-term results, which is the bottom line for all leaders.

Authentic leaders recognize that leadership is not about their success or about getting loyal subordinates to follow them. They know the key to a successful organization is having empowered leaders at all levels, including those who have no direct reports. They not only inspire those around them, they empower those individuals to step up and lead.

A reputation for building relationships and empowering people was instrumental in chairman and CEO Anne Mulcahy's stunning turnaround of Xerox. When Mulcahy was asked to take the company's reins from her failed predecessor, Xerox had \$18 billion in debt, and all credit lines were exhausted. With the share price in free fall, morale was at an all-time low. To make matters worse, the SEC was investigating the company's revenue recognition practices.

Mulcahy's appointment came as a surprise to everyone—including Mulcahy herself. A Xerox veteran, she had worked in field sales and on the corporate staff for 25 years, but not in finance, R&D, or manufacturing. How could Mulcahy cope with this crisis when she had had no financial experience? She brought to the CEO role the relationships she had built over 25 years, an impeccable understanding of the organization, and, above



all, her credibility as an authentic leader. She bled for Xerox, and everyone knew it. Because of that, they were willing to go the extra mile for her.

After her appointment, Mulcahy met personally with the company's top 100 executives to ask them if they would stay with the company despite the challenges ahead. "I knew there were people who weren't supportive of me," she said. "So I confronted a couple of them and said, 'This is about the company.'" The first two people Mulcahy talked with, both of whom ran big operating units, decided to leave, but the remaining 98 committed to stay.

Throughout the crisis, people in Xerox were empowered by Mulcahy to step up and lead in order to restore the company to its former greatness. In the end, her leadership enabled Xerox to avoid bankruptcy as she paid back \$10 billion in debt and restored revenue growth and profitability with a combination of cost savings and innovative new products. The stock price tripled as a result.



Like Mulcahy, all leaders have to deliver bottom-line results. By creating a virtuous circle in which the results reinforce the effectiveness of their leadership, authentic leaders are able to sustain those results through good times and bad. Their success enables them to attract talented people and align employees' activities with shared goals, as they empower others on their team to lead by taking on greater challenges. Indeed, superior results over a sustained period of time is the ultimate mark of an authentic leader. It may be possible to drive short-term outcomes without being authentic, but authentic leadership is the only way we know to create sustainable long-term results.

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For authentic leaders, there are special rewards. No individual achievement can equal the pleasure of leading a group of people to achieve a worthy goal. When you cross the finish line together, all the pain and suffering you may have experienced quickly vanishes. It is replaced by a deep inner satisfaction that you have empowered others and thus made the world a better place. That's the challenge and the fulfillment of authentic leadership.