

LEAD

Leadership Expert Ronald Heifetz

Interview with Harvard University professor on the qualities and mechanics of leadership.

BY TOM RICHMAN



Inc.

There's a big difference between exercising authority and leadership, says one of the most refreshing new voices on the subject. The trick is to know what the situation calls for

Don't be fooled by Ronald Heifetz's youth. At 37, he has already had more careers than most people pack into a lifetime - surgeon, psychiatrist, cellist, and public policy professor. More to the point, this insightful man, who teaches at Harvard's Kennedy

School of Government, is worth listening to, particularly for what he has to say about an insidious problem that entrepreneurs have been tripping over ever since the first start-up began to grow: defining the leader's role.

That is a subject about which a great deal has been written lately - much of it trite, little of it original. Rarely does someone come along with anything new or instructive to say about corporate leadership. At first glance, Heifetz seems an unlikely exception. He is the first to admit that he has limited knowledge of how businesses actually work. But don't let that stop you. Though his expertise is in political leadership, his insights are directly relevant to businesspeople, particularly those who run growing companies.

And Heifetz won't give you the usual blather about the personality traits of great leaders. He puts much more emphasis on the definition of leadership, in part because he understands the power of words. Label someone a leader - give him or her the leader's role - and a conscientious person tries to be or do what the label implies. That same label will likewise determine the expectations of the people in the group or organization being led. Problems most often arise, Heifetz suggests, when leaders and followers have the wrong notion of what leadership is. To correct the problems, therefore, you must begin by offering a better definition - which is precisely what he has done.

Inc. senior writer Tom Richman visited Heifetz's cubbyhole office in Cambridge, Mass., to get the word.

INC.: *Can you give us a succinct definition of leadership?*

HEIFETZ: I define leadership as an activity, not as a set of personality characteristics. So what I'm interested in is developing people's capacity to perform a particular activity, and I call this activity "leadership." And the activity of leadership I define as the mobilization of the resources of a people or of an organization to make progress on the difficult problems it faces.

Notice that I am not talking about routine problems; I don't think they require leadership. I'm talking about difficult problems. In those situations, someone exercising

leadership is orchestrating the process of getting factions with competing definitions of the problem to start learning from one another.

INC.: *Let's try to simplify that. Are you saying that exercising leadership does not mean imposing a solution on the group?*

HEIFETZ: Well, it might if the situation involves a simple problem. For example, if I take my car to my mechanic and he says, "This is what needs to be done to fix the car," the mechanic is imposing his solution on my car, and that's fine. With a routine problem, one can look to authority - to experts - to come up with the solution and to implement it.

INC.: *So you're drawing a distinction between exercising authority and exercising leadership.*

HEIFETZ: Yes, but let me go on. I would not say that my car mechanic is exercising leadership. He's an expert, so I granted him authority. He's exercising his authority by telling me what's wrong with my car and what he's going to do to fix it. It's not a complex situation, and the mechanic is exercising authority, not leadership. But - and this is important - even in a very complicated situation demanding the exercise of leadership, an authority figure still has a role.

INC.: *Which is?*

HEIFETZ: To maintain equilibrium in the organizational system. The function of an authority figure is to right the ship, maintain equilibrium, keep things on an even keel. People expect an authority figure to be comforting.

INC.: *And a leader, in contrast . . .*

HEIFETZ: I wouldn't use the word leader. I'd say someone who exercises leadership. Someone exercising leadership is probably generating *disequilibrium*. Either he is raising issues or asking questions that disturb people and force people to come to terms with points of view or problems that they would rather not consider; or he's protecting other people in the organization who are creating *disequilibrium*.

INC.: *Let me see if I've got this straight. People exercising authority create equilibrium in an organization, and people exercising leadership create disequilibrium. I guess I don't get it.*

HEIFETZ: OK, say we're in a senior staff meeting, and the financial guy announces that we're losing market share. One possible reason, he suggests, is poor packaging.

The first thing that happens is the packaging guy becomes furious and rebuts the charge. The two of them start going at each other, and maybe others join in. Does this solve the problem? No. These are work-avoidance mechanisms. People will do all kinds of things that don't have anything to do with solving the problem. So someone has to exercise authority to reduce disequilibrium to a range within which people can pay attention to the information that the financial guy is presenting. Exercising authority can restore the equilibrium, but it can't solve the problem, which is that we're still losing market share. For that, someone - the CEO, the financial guy, someone - must exercise leadership, which is the mobilization of people to face, define, and solve problematic realities.

INC.: *I take it that, by your definition, the person who exercises leadership is not the individual who provides answers but the individual who manages the group's efforts to define its own problems and reach its own answers.*

HEIFETZ: Sort of. But it's a little more than that because it's not simply the neutral guy orchestrating a process. First, it would be fine to provide answers if you really had the answers. But if you have the answers, like my car mechanic, then it is probably not a situation demanding leadership. There are a lot of situations, however, in which no clear answers exist, but where the authority figure is expected to provide them anyway. The exercise of leadership then requires the orchestration of competing factions. That doesn't simply mean sitting back passively and saying, "You work it out," because organizations have ways of avoiding that work. Defining problems is creative work and very difficult. Orchestrating competing points of view is also hard work. Both generate stress in an organization, so organizations tend to find ways to avoid those tasks. Most often, they'll blame it on the authority figure himself, saying, "We shouldn't have to do this work. If only we had the right authority figure, the right *leader*, our problems would be solved.'

INC.: *OK. Say I'm the CEO. I founded the company. I've hired half a dozen people to work for me. When I started out, I was the only one here. I defined the problems; I made all the decisions; I took all of the action. That's the way it was when those people came. Now, you're telling me, I have to change their expectations about my behavior.*

HEIFETZ: Sure. Presumably, as you move forward, the environment in which you operate is going to become more complicated. That's why you need more people. If people continue to expect you to be the know-it-all in assessing a complicated environment, you're lost. You may be able to wing it long enough to stay aloft for a while, but there's no way, to my mind, you can exercise leadership alone. The exercise of leadership requires, in complex problem situations, more information than one person can have.

INC.: *So you've got to bring others into the process. What's so hard about that?*

HEIFETZ: What's hard is getting people to do what's necessary to solve the problem. Understand that the solution to a complex problem is going to require adjustments in the habits of people involved with the problem. In your company of six people, all of whom may hold conflicting views, all six people will have to change some of their attitudes, their ways of seeing things, and their habits of action.

Those changes involve a learning process. Your people have to examine some of their previous conceptions, and they have to import into their frames of reference the frames of reference of other people - information that other people have. The CEO who is used to providing all the answers may be able to tell people what to do. But issuing a command is not going to change people's understanding. The solution is going to require that these people develop a capacity to continue to adapt to a changing and complicated environment.

INC.: *Which takes time.*

HEIFETZ: Right. In the short run, the people in the company may be delighted to get clear commands from the CEO, because it protects them from having to think things through themselves. In the longer term, though, it's going to increase their dependency on the CEO as the authority figure, and it will weaken their own capacities to come to terms with a complex environment.

INC.: *So, contrary to expectations, the strong authority figure doesn't necessarily make the best CEO?*

HEIFETZ: He may in certain situations. There is one situation in which it makes a lot of sense to exercise very firm authority. That is when the disequilibrium generated by the complexity of the environment is so severe that people cannot think straight, cannot organize themselves to work. In this case, the CEO's authority is a tool for leadership. He has to exercise authority to bring the level of disequilibrium into a tolerable range that allows people to go to work defining and solving problems.

INC.: *You mean what Lee Iacocca did at Chrysler?*

HEIFETZ: Exactly. Iacocca had to make people feel sufficiently secure and safe. He had to play to their need to have a big daddy. . . .

INC.: *To a point?*

HEIFETZ: To a point.

INC.: *What's that point?*

HEIFETZ: It's the point at which people fall into comfortable habits. After that, you know you've gone too far. People still have to be sufficiently ruffled and disturbed that they're thinking and anxious and working, but not so discomforted and stressed out that they're dysfunctional.

Franklin Roosevelt is another good example, by the way.

INC.: *In what sense?*

HEIFETZ: Well, in 1933, the country was in enormous crisis. A lot of the banks were going under. In his first 100 days in office, Roosevelt exercised a very firm and powerful authority that soothed and comforted the people and gave them a sense of hope and security. It was necessary because the level of crisis in the United States was so severe that the country was on the brink of falling into catastrophic work-avoidance patterns similar to those occurring in Nazi Germany that same year. There, the social disequilibrium was so severe that people looked to anyone who could provide them with some firm belief - regardless of what the belief was.

The difference is that Roosevelt, in providing people with a sense of security, knew that he couldn't do the solving. He knew the only way for the nation to make progress on this set of very messy, complicated problems was to engage the creative energies of the various constituencies. He had bankers arguing with industrialists arguing with labor arguing with Treasury. His own role was managing levels of disequilibrium and orchestrating the process by which these opposing factions sorted out the next steps.

INC.: *That sounds straightforward, if not easy.*

HEIFETZ: Yes, but there's a trap for a Roosevelt or an Iacocca. Because his exercise of firm command made so much sense in a crisis, a CEO may begin to think that he should operate in that same mode all the time.

INC.: *Well, he was a hero once - he'd like to keep on being a hero.*

HEIFETZ: Exactly. And that's natural. But please understand, it's not simply the person who resists letting go. The organization resists, too. The organization, once addicted to a hero, remains addicted, and it's quite difficult to disabuse an organization of its dependency on its hero. That's one reason why entrepreneurial CEOs of very successful companies often have to leave at a certain point - Steve Jobs, for example. They have to leave because there is a dependency they cannot counteract.

INC.: *You mean it was inevitable from the start that Jobs would have to leave Apple Computer?*

HEIFETZ: I don't mean to be so categorical. I'm describing a tendency and a trend. It could have been managed differently in Jobs's case, if he had wanted to and if he had known how.

INC.: *Is there a point of no return, a point beyond which the only choice for someone like Jobs is to leave the organization?*

HEIFETZ: People who end up in that position usually don't know how to disentangle themselves, because they don't understand the dynamics that got them so entangled in the first place. My assumption is that if they did understand the dynamics, and if they knew the kinds of strategies that would disentangle them, they could reverse the situation even at a late date.

I might add that Roosevelt, too, fell into the trap. When he got reelected by a landslide in 1936, I think he began to believe he had a mandate to institute *his* answers. He tried to pack the Supreme Court to get *his* policy agenda realized.

INC.: *Isn't that exactly what we ask Presidential candidates to do today - to have their own agenda with all the answers?*

HEIFETZ: Sure. We're looking to Dukakis or Bush and expecting one of them to fulfill enormously unrealistic dreams, things neither can possibly know how to do. And, given their personal predilection to see themselves heroically, they will likely fall into the trap of protecting the American people from facing and taking responsibility for the problems in their midst. They'll provide people with convenient shelters, illusions, false senses of security, and hope that, if only you elect me and my staff of policy experts, we'll get the country back on the road.

INC.: *Well, what would we do with Michael Dukakis now if he were to say, "I can't solve the trade deficit problem. You folks have to solve the trade deficit problem."*

HEIFETZ: We wouldn't elect him. That's the paradox - you don't get elected if you don't protect people from the work they need to do. You risk your authority as soon as you attempt to exercise leadership.

INC.: *Shouldn't we expect leadership from a President?*

HEIFETZ: That would be a big mistake. The President of the United States is rarely going to exercise leadership. Primarily he's going to exercise authority. He's going to maintain equilibrium. He's rarely going to challenge people to come to terms with harsh problems. If he does, he risks losing office. The exercise of leadership by high authority requires pacing the rate at which you challenge people to do work.

INC.: *So, we're looking for someone who will say, "Here, just take this pill. . . ."*

HEIFETZ: Someone who will say, "I know what needs to be done, just follow me." And the tragedy is that, eight years later, reality kicks you from behind. And that's what has happened in our current situation - with our drug problem, with our poverty problem, with our debt problem. We have had eight years with someone who has protected the American people from facing the challenges of the next century, or even of the next

decade, and thereby diminished the country's adaptive capacity. He's told us we can blame external forces instead of helping us take responsibility for our own problems. And now, of course, we're upset because we have this huge debt. Reality has caught up with us and shaken some of our illusions.

Unfortunately, we're likely to repeat the same errors because our conception of leadership is fundamentally misguided. We'll elect the next guy who claims to have answers rather than the guy who is willing to challenge us by orchestrating our problem-solving processes.

INC.: *We're doomed?*

HEIFETZ: Not necessarily. What gives me hope is something inherent in a democracy - I mean, the idea that we all share the responsibilities and obligations for making the society work. That is the nature of a democracy.

INC.: *Yes, but you've also written that, in order to have a democracy, there must be a shared set of attitudes among citizens of a country.*

HEIFETZ: True. We all have to share the attitude that responsibility is ours.

INC.: *Well, that's certainly not what I hear these days.*

HEIFETZ: I realize that. As we face more and more frustrating problems, we tend to look for saviors, and - as a result - we have been losing democracy. We think democracy simply means having a political structure in which we vote. Or, we think democracy means the protection of individual rights and liberties. But that was never really the basic idea of democracy.

The basic idea of democracy was a shared notion that we all have a responsibility for the common welfare, for the common good, for the society as a whole, for the community - not just in times of war, but in all times. Instead, we have become more and more reliant on the President or on government, our authority figures, to do it for us.

One of the great Supreme Court justices, Louis Brandeis, stated that the highest office in the land is that of citizen. I think that's an important statement. If we lose that, and to

some extent we already have, we do so at our peril as a nation. Democracy works successfully as an ongoing, adaptive mechanism because it develops our muscles. It keeps us thinking for ourselves. It doesn't allow us to fall into lazy dependency.

INC.: *So you see us as a nation getting lazy?*

HEIFETZ: I see a growing dependency on administrative structures. We now have a wholly unrealistic faith that those administrative structures can address and even solve many community problems. For example, to expect the federal government to be able to solve the drug problem is absurd when the drug problem exists on every block in nearly every community in the country. It's absurd, that is, unless you're asking the federal government to get involved in how blocks of families within a particular community work together. Now that's pretty unrealistic.

INC.: *But there are some situations - you see them in military dictatorships and in lots of family businesses - where no one is exercising leadership. All you have is a strong authority figure. And yet these groups seem to do all right, in some cases for years.*

HEIFETZ: That works if you're in an environment where nothing much is changing and the problems are routine. Take, for example, my car mechanic. He exists in an environment where most of the problems that are going to be pitched to him and his organization are known. Routines have already been established for solving them. In that situation, he can do a terrific job simply by exercising his authority. But if he wants to train new people, expand the enterprise, or plan for his own withdrawal and succession, there have to be activities of leadership.

INC.: *With regard to this distinction between authority and leadership, do you see many similarities between the public and private sectors?*

HEIFETZ: The private sector could learn a lot from the democratic processes of problem solving. The processes appear slower, but they're not. In fact, they're faster. That's because democracy is inherently more adaptive than other forms of social organization. If entrepreneurs would learn more about what makes this country great, they could apply that knowledge to making their own companies work better.

INC.: *I know you don't like the word leader, but it does conjure a powerful image of the person who's up front and in charge.*

HEIFETZ: We have an ideal of individualism - rugged individualism - embedded in our culture, and it is truly a wonderful thing. The notion of rugged individualism has given rise to a great deal of American ingenuity, creativity, enthusiasm, and values of integrity. The person who is able to make it against all odds is a hero in American culture. But rugged individualism has its downside, in that this same person tends to take the work of defining and solving problems on his own shoulders. He is inclined to see himself as the Atlas who can hold up the world by himself. He has a capacity to take a lot of responsibility, to gird his loins and go forth with courage, and that's great. But he gets trapped as soon as he begins to believe that this capacity is going to work in complicated situations requiring the efforts, wisdom, and points of view of a lot of different people.

INC.: *It sounds like you're talking about entrepreneurs.*

HEIFETZ: Among others. In a way, the entrepreneur is idealized in our culture, and that sets him or her up for failure. He assumes the responsibility of satisfying employee aspirations that are impossible to satisfy. He buys into employees' expectations that he's going to guide them through the market, or through the next product innovation, or through whatever challenge.

Because the entrepreneur is inclined to accept responsibility and to see himself or herself as hero or heroine, he's also inclined to say, "OK, I'll do it for you again. I'll pull the rabbit out of the hat like last time. In fact, I pulled it out the last two times. And watch, I'm going to do it this time, too." The entrepreneur is energized by those expectations. And if he does save the day, he's reinforced the expectation that he'll be able to do it again and again. But it's a losing game.

INC.: *Because?*

HEIFETZ: Because he's a human being. Because he's a jerk like everybody else - with his own failings and his own blind spots. And because the landscape eventually gets too complicated, even for him.

INC.: *When that happens, why can't he just pull other people in?*

HEIFETZ: Because by now, there's no one around who has any capabilities. Every time he pulls the rabbit out of the hat, he generates more dependency and weakens his constituency, his own company. That's the trap in becoming the hero. If people keep expecting you to restore equilibrium, what they're actually doing is looking to you to help them avoid work. That's certainly where we're heading as a country.

INC.: *Is that where you come in? Do you see yourself helping us to avoid that trap?*

HEIFETZ: I would say that I'm refining the notion of what leadership is.

INC.: *Refining what it is or what it ought to be?*

HEIFETZ: Well, what it is, is a matter of people's opinions. Different people can say that they define leadership differently. You can't argue with someone else's definition. So, inevitably, the argument boils down to what it *should* be because the way we define leadership is going to shape the way people operate. People want to be leaders, after all. So our concept and understanding of leadership will affect the way people behave, and the ideals they hold out for themselves.

INC.: *Which means?*

HEIFETZ: Which means my work here is to refine our understanding of leadership in a way that improves people's capacity to fulfill their aspirations for getting a group of people - an organization or a society - to get its work done, to make progress on the problems it faces.