

Book Excerpt: *High Commitment High Performance*

Harvard Business School's Mike Beer says forget the "heroic leader" model—and most other theories about what makes for an effective CEO

By [Mike Beer](#)

In the new book High Commitment High Performance: How to Build A Resilient Organization for Sustained Advantage (Jossey-Bass, 2009), Harvard Business School professor Michael Beer redefines C-suite leadership. Excerpts of the work follow.

High Commitment High Performance (HCHP) leadership is not about exercising influence through the formal authority vested in one's position, nor is it about influence through superior knowledge and intelligence. Smart CEOs with a strong will to merely impose their ideas do not succeed in building an HCHP company. The distinctive HCHP outcomes of psychological alignment and capacity for learning not only require leaders with an emotional commitment to a well-thought-out vision but also a deep involvement in an action learning process that surfaces the truth about how the organizational system is currently functioning and provides as many people as possible the opportunity to contribute. This HCHP approach to [leadership](#) is grounded, operational, puts a premium on collective learning, and, as I show below, is much less dangerous than the mythical heroic view of leadership.

"There are no great men. There are only great challenges that ordinary men like you and me are forced by circumstance to meet," observed Admiral William F. "Bull" Halsey, a man who saw leaders tested by challenges far greater than those faced by business leaders. Yet the Great Man theory of leadership is still alive and well. Heroic, decisive, and charismatic leaders who impose their strategic vision and solutions are widely celebrated in the business press.

When companies outperform, success is attributed to the CEO's leadership. When companies fail, the CEO is blamed and usually fired. Quite often the same CEO is celebrated and later fired. Jeff Skilling, Enron's leader in the 1990s, was widely hailed for several years as the leader who had created a new business and organizational mode—and was later blamed for the company's demise and convicted of management misdeeds.

Attributing success to personal qualities—the CEO's brilliance, vision, and style of management—is not only dangerous but also dead wrong. A company's behavior and performance tend to be path-dependent, research shows. As Warren Buffett has observed, when you bring good management into a bad business, it is the reputation of the business that quite often survives.

Much academic research supports this view. In *Built to Last* (HarperBusiness, 2004), Jim Collins and Jerry Porras concluded that the key to sustained success is not visionary leadership (which was their proposition at the beginning of the research) but visionary organizations. For these reasons, quick fixes and inspirational speeches do not transform organizations. Transformation requires leaders committed to the long-term development of the organization. These leaders draw on knowledge about the business and the organization extant in the company, and they commit people to change.

For several years now, my Harvard Business School colleagues Michael Porter, Jay Lorsch, and Nitin Nohria have been running a workshop for CEOs who have recently taken charge of their companies. Seven lessons about leadership emerge from discussions with these CEOs. All point to the fallacy of top-down, single-handed, and single-minded leadership, and the importance of collaboration with all stakeholders.

1. You can't run the company.
2. Giving orders erodes other managers' confidence.
3. It's hard to know what is going on in your organization.
4. You are always sending a message, but not necessarily the one you intend.
5. You're not the boss—the board is.
6. Pleasing shareholders is not your goal.
7. You're still human.

Why is the heroic CEO exactly the wrong leader? Ron Heifetz reminds us that "in a crisis...we call for someone with answers, decisions, strengths, and a map of the future, someone who knows where we ought to be going—in short, someone who can make hard problems simple. Instead of looking for saviors, we should be calling for leadership that will challenge us to face problems for which there are no simple, painless solutions."

Hubris causes heroic leaders to impose their strategic and organizational solutions without testing either their validity or the company's capacity to execute them. Imposing ideas from previously led organizations or copying from other companies fails to honor the past, fails to mobilize people to tackle tough problems, and reduces the willingness of people throughout the company to partner with the CEO.

Heroic leadership fails to integrate listening and decisive action into a seamless, iterative, and continuous learning process. Most important, heroic leadership fails to perform the central function of leadership—engaging employees authentically in a process of organizational learning and development from which they as leaders also learn.

Our findings are that CEOs can learn a great deal from those at lower levels who are in touch with the day-to-day realities of the marketplace and the efficacy of the organization in execution. Andy Grove, the cofounder and long-time leader of Intel ([INTC](#)), discovered that lower-level managers recognized long before he and his senior team did the strategic inflection point that [Intel](#) faced as the market shifted away from memory chips to microprocessors.

With that discovery, Grove began to reorient the focus of the company. The leaders featured in this book—Don Rogers, Henry Gullette, Grey Warner, Chris Richmond, Scott Wright, Ed Ludwig, and Archie Norman—are all strong leaders who motivated a collective process of learning because they knew they did not have all the answers and needed others to help move the organization forward.

To share the responsibilities of leadership, transformational CEOs or business-unit general managers develop and come to rely on their leadership teams. This requires a sustained effort to build that team and develop together a vision of the company—its purpose, its strategy, and its values, as well as the legacy they want to leave and the principles for organizing and managing they will employ.

Most important, HCHP leaders recognize that the leadership team they must develop is composed of not only their direct reports and a larger circle of key managers but also the board of directors, who must share the senior team's vision, values, and strategic intent. The process of transformational leadership I discuss in this chapter applies to the CEO's relationship with lower levels as well as his relationship with the board. In a recent study of HCHP chief executives, my colleagues at TruePoint Center for High Commitment & Performance and I were struck by how much care these leaders take to partner with not only with their own teams but also their boards. Indeed, the leadership model proposed here is one that leaders in the corporation's multiple subunits will ultimately have to adopt if the transformation of the larger organization is to be complete.

Unfortunately, the charismatic-heroic model of leadership is the dominant perspective in selecting CEOs, according to the research by my colleague Rakesh Khurana. He finds that when a crisis of performance hits, a company board of directors inevitably does the wrong thing. They go "in search of a savior"—a charismatic and dynamic leader who is associated with a celebrity company or CEO.

Khurana shows that in many cases this approach fails to deliver a sustained turnaround. That was exactly the story at Hewlett-Packard ([HPQ](#)), where an ineffective board selected Carly Fiorina, a charismatic leader who not only failed to turn the company around but also managed to liquidate the HCHP culture built by its founders and successors. The failure of heroic leaders to be open to the truth about the efficacy and ethics of their business model and organization is certainly a major reason for the failures of banks and mortgage companies in 2008.

In a systematic study of senior General Electric ([GE](#)) executives who became CEOs at other companies, my colleagues Boris Groysberg and Nitin Nohria found that the

performance of these transplanted senior executives was far from uniformly positive. Success depended on a good fit of the executive's leadership skills, values, and business knowledge with the company's business and organization challenges.

Being a celebrity leader who comes from a celebrity company was not the key factor. And what if the fit of the CEO is not perfect, which is usually the case? Then the leader's ability to engage people and learn is even more crucial.

The leadership and learning perspective I am proposing requires leaders to embrace paradox. On the one hand, leaders must have strength of purpose. They must have a point of view about the general direction of the company and must be willing to articulate that view clearly and firmly if they hope to bolster employee confidence and raise hope that successful transformation to HCHP is possible. On the other hand, leaders must also be able to suppress their egos and enable others to lead. Jamie Houghton, the successful former CEO and chairman of Corning ([GLW](#)), concludes from his experience that leaders are better able to listen and learn if they are not too sure of themselves. And, he notes: "History tells us that those in leadership positions who do not listen eventually fail."

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