STRENGTHS BASED LEADERSHIP

PART TWO:

MAXIMIZING YOUR TEAM

Effective leaders surround themselves with the right people and build on each person's strengths. Yet in most cases, leadership teams are a product of circumstance more than design. Among the executive teams we have studied, team members were selected or promoted based primarily on knowledge or competence. So, the best salesperson becomes the chief sales manager, even if he is not a great people manager. The smartest person in IT winds up as the CIO. The top financial expert gets promoted to CFO, and so on.

Rarely are people recruited to an executive team because their strengths are the best complement to those of the existing team members. When is the last time you heard a leader talking about how your team needed to add a person who not only had the technical competence but who could also help build stronger relationships within the group? Or someone who could help influence others on behalf of the entire team? The vast majority of the time, we recruit by job function — and all but ignore individuals' strengths.

What's worse, when leaders do recruit for strength, they all too often pick people who act, think, or behave like themselves, albeit unintentionally in most cases. It's an age-old dilemma. How is a company supposed to grow, adapt, and change if a domineering CEO continues to pick people who agree with him and who have a similar background and personality?

Israeli President Shimon Peres expressed his views on this topic in an interview with Gallup:

> *What you have to think of is the potential of the person, not his appearance. And if you can discover hidden potentials, that can make a great difference to your organization. You have to distinguish between loyalty and brilliance. Most leaders prefer loyalty over brilliance; they're afraid that they're going to be undercut. My view is different.*

Peres went on to describe the importance of getting talented people on his leadership teams and helping them discover more about their unique strengths.

WHAT MAKES A GREAT LEADERSHIP TEAM?

Over the years, Gallup has studied thousands of executive teams. In most cases, our leadership consultants conduct an in-depth interview with a team's formal leader (usually the CEO) and also conduct interviews with each member of the leadership team. This enables us to compare the strengths of each person sitting around the table so that we can start thinking about each one's individual development and succession planning — and perhaps most importantly, how the team looks as a whole.

As we worked with these leadership teams, we began to see that while each member had his or her own unique strengths, the most cohesive and successful teams possessed broader groupings of strengths. So we went back and initiated our most thorough review of this research to date. From this dataset, four distinct domains of leadership strength emerged: Executing, Influencing, Relationship Building, and Strategic Thinking.

While these categories appear to be general, especially when compared to the specific themes within StrengthsFinder (which you can learn more about in the Additional Resources section), it struck us that these broader categories of strengths could be useful for thinking about how leaders can contribute to a team. A more detailed language may work best for individual development, but these broad domains offer a more practical lens for looking at the composition of a team.

The Four Domains of Leadership Strength

EXECUTING
INFLUENCING
RELATIONSHIP BUILDING
STRATEGIC THINKING

We found that it serves a team well to have a representation of strengths in each of these four domains. Instead of one dominant leader who tries to do everything or individuals who all have similar strengths, contributions from all four domains lead to a strong and cohesive team. *Although individuals need not be well-rounded, teams should be.*

This doesn't mean that each person on a team must have strengths exclusively in a single category. In most cases, each team member will possess some strength in multiple domains. A tool like StrengthsFinder can be useful in determining how all team members can maximize their contribution to the group's collective goals. According to our latest research, the 34 StrengthsFinder themes naturally cluster into these four domains of leadership strength based on a statistical factor analysis and a clinical evaluation by Gallup's top scientists. (See the table below for how the 34 themes sort into the four domains of leadership strength.) As you think about how you can contribute to a team and who you need to surround yourself with, this may be a good starting point.

Executing	Influencing	Relationship Building	Strategic Thinking
ACHIEVER	ACTIVATOR	ADAPTABILITY	ANALYTICAL
ARRANGER	COMMAND	DEVELOPER	CONTEXT
BELIEF	COMMUNICATION	CONNECTEDNESS	FUTURISTIC
CONSISTENCY	COMPETITION	EMPATHY	IDEATION
DELIBERATIVE	MAXIMIZER	HARMONY	INPUT
DISCIPLINE	SELF-ASSURANCE	INCLUDER	INTELLECTION
FOCUS	SIGNIFICANCE	INDIVIDUALIZATION	LEARNER
RESPONSIBILITY	WOO	POSITIVITY	STRATEGIC
RESTORATIVE		RELATOR	

Leaders with dominant strength in the **Executing** domain know how to make things happen. When you need someone to implement a solution, these are the people who will work tirelessly to get it done. Leaders with a strength to execute have the ability to "catch" an idea and make it a reality.

For example, one leader may excel at establishing a quality process using themes such as Deliberative or Discipline, while the next leader will use her Achiever theme to work tirelessly toward a goal. Or a leader with strong Arranger may determine the optimal configuration of people needed to complete a task.

Those who lead by **Influencing** help their team reach a much broader audience. People with strength in this domain are always selling the team's ideas inside and outside the organization. When you need someone to take charge, speak up, and make sure your group is heard, look to someone with the strength to influence.

For example, a leader with a lot of Command or Self-Assurance may use few words, but her confidence will continue to project authority and win followers. In contrast, a leader using Communication or Woo might get people involved by helping individuals feel comfortable and connected to the issue at hand.

Those who lead through **Relationship Building** are the essential glue that holds a team together. Without these strengths on a team, in many cases, the group is simply a composite of individuals. In contrast, leaders with exceptional Relationship Building strength have the unique ability to create groups and organizations that are much greater than the sum of their parts.

Within this domain, a leader with Positivity and Harmony may work hard to minimize distractions and to keep the team's collective energy high. On the other hand, a leader with Individualization might use a more targeted approach to getting people involved. Or a leader with strong Relator or Developer may be a great mentor and guide as he pushes others toward bigger and better achievements.

Leaders with great **Strategic Thinking** strengths are the ones who keep us all focused on what *could be*. They are constantly absorbing and analyzing information and helping the team make better decisions. People with strength in this domain continually stretch our thinking for the future.

Within this domain, a leader using Context or Strategic might explain how past events influenced present circumstances or navigate the best route for future possibilities. Someone with strong Ideation or Input may see countless opportunities for growth based on all of the information she reviews. Or a leader drawing from his Analytical theme might help the team drill into the details of cause and effect.

LEADERSHIP STRENGTHS IN ACTION

In recent years, we have studied leaders who built great schools, created major nonprofit organizations, led big businesses, and transformed entire nations. But we have yet to find two leaders who have the exact same sequence of strengths. While two leaders may have identical expectations, the way they reach their goals is always dependent on the unique arrangement of their strengths.

To help you see how different effective leadership strengths can be, we asked a few of the top organizational leaders we interviewed if they would be willing to share their strengths and their stories. We selected four leaders — one to illustrate each of the four domains of leadership strength. You will notice that these leaders have multiple strengths in the domain they represent.

Throughout the next four sections, you will see how these leaders have leveraged their dominant strengths to drive organizational growth. You will hear from the founder and CEO of one of the most legendary nonprofits of the past century, the president of one of the most respected brands ever, the chairman of one of the world's largest banks, and the chief executive of the largest consumer electronics retailer in the world. As you read each of these stories, you will realize just how different four leaders can be, even at the highest levels of an organization.

EXECUTING

Executing Themes

ACHIEVER	CONSISTENCY	FOCUS
ARRANGER	DELIBERATIVE	RESPONSIBILITY
BELIEF	DISCIPLINE	RESTORATIVE

Wendy Kopp

Founder and CEO
Teach For America

ACHIEVER*
COMPETITION
RESPONSIBILITY*
RELATOR
STRATEGIC

* EXECUTING THEME

During her senior year at Princeton, Wendy Kopp was simply trying to figure out what to do after she graduated. The last thing on Kopp's mind was starting her own business, let alone launching a national movement. Then in late 1988, while seeking a subject for her senior thesis, Kopp found a topic that piqued her interest: educational inequity.

Throughout her time at Princeton, Kopp had noticed two distinct and divergent camps of students, even within that elite institution. One group, composed of students who had attended top-flight East Coast prep schools, often referred to their experience at Princeton as a "cakewalk." The other group, made up of students who had grown up in urban public schools, struggled to meet the academic expectations at the Ivy League university. If it was this bad at Princeton, Kopp thought, then this inequity must be much worse in other parts of the country.

She decided to gather a group of fellow students to discuss the broader problem of why it was so hard for most children to get the education they deserved. When the group convened, she heard student after student express interest in teaching, but she also heard them describe how there was no mechanism for attracting top students to the profession, especially in urban areas that had the most dire need.

It was during this meeting that Kopp's Responsibility theme kicked in. She felt a need to take action, and she started thinking about how she could fix this massive problem. Inspired in large part by the Peace Corps, which was launched by President John F. Kennedy in 1961, Kopp was determined to create a national teacher corps. So, like many idealistic young people, Wendy Kopp wrote a letter to then-President George H.W. Bush, suggesting that he create this new corps. She recommended that recent college graduates commit to two years of teaching in underprivileged areas. Kopp didn't hear back from the White House about her idea.

But it was her next move that truly separated this big idea from the millions of good thoughts that never make it to fruition: the super-achieving, hands-on undergrad decided that she would build this national teacher corps *herself*. In addition to making educational inequity the focus of her senior thesis, Kopp began researching what it would take to create a national corps of teachers. As she was reviewing recommendations that had been made to President Kennedy about what it would take to establish the Peace Corps, she found a paper from one of Kennedy's advisors that suggested that a minimum of 500 people were necessary (on day one) to convey the sense of urgency and national importance. This paper inspired Kopp's incredibly ambitious goal: She would find 500 new corps members in the first year to make her dream of a national teacher corps a reality.

As Kopp began to run the numbers in terms of what it would take to recruit all of these high-achieving students to volunteer for two years, she realized it would require at least $2.5 million, for the first year alone, to get her project off the ground. She knew this was an ambitious goal, but she felt an immediate responsibility to do it. When Kopp mentioned this figure to her thesis advisor, he exclaimed, "Do you know how hard it is to raise twenty-five *hundred* dollars?" Kopp actually didn't know just how hard it would be, but she was about to find out.

Kopp started by building her core team — for recruiting, training, and meeting her aggressive fundraising goal. She enlisted a few of the brightest people she knew, although it took a lot of convincing to get them to commit to this underfunded start-up. Over the next 12 months, Kopp's leadership team went through a series of extraordinary challenges and found themselves on the brink of quitting on several occasions. But great Achievers rarely give up.

To make things even more difficult, while Kopp was serious about starting with 500 teachers, she was not about to accept just anyone who applied. She wanted this new program, dubbed "Teach For America," to be very selective. This meant that the organization had to recruit, interview, and screen more than 2,500 applicants just to get 500 of the best and brightest graduates. Kopp felt that the organization had a responsibility to hire graduates who could have an immediate impact in the schools they joined.

This series of daunting challenges was no match for Wendy Kopp's extraordinary determination and ability to execute. By April of 1990, a year after Kopp graduated from Princeton, the first 500 members of Teach For America gathered for their orientation session at the University of Southern California. Kopp had managed to raise the $2.5 million *and* build the organization from scratch — over the span of a single year.

Then, as if events simply followed the script Kopp had written in her senior thesis, the nation took notice of her bold launch. Her efforts were featured on *Good Morning America* and in *TIME* magazine. A *New York Times* headline read: "Princeton Student's Brainstorm: A Peace Corps to Train Teachers." Teach For America's first year was a remarkable success, but Kopp knew she had a responsibility to keep the organization alive and to prepare it for long-term success.

In 2008, we followed up with Wendy Kopp to see how things were going at Teach For America almost two decades after its inception. Upon entering the organization's New York headquarters, we noted that the offices still had the feel of a small start-up aiming to change the world. The building was abuzz with young people rushing around close quarters and filled with small cubicles and plywood desks. The water heaters in the makeshift restrooms doubled as toilet paper holders. Even in 2008, Teach For America's humble environment certainly didn't convey that of one of the most successful start-ups of the past century.

And when we sat down with Kopp, it was clear that the super achiever remained in overdrive. Kopp was just days away from giving birth to her fourth child, yet she was in the midst of a full day at Teach For America. Although in obvious discomfort, Kopp was not about to slow down. You could tell from the look in her eyes and the passion in her voice that she is never quite content with where things are today.

Kopp described how hard it had been to build an organization that now has a stable — and robust — flow of funding and applicants. She described her most fundamental challenge, quite succinctly, as "finding talent." To keep the organization growing, Kopp had to surround herself with the best teachers, fundraisers, and leaders for the future. In her own words, talent was *the* key element because it "solves all the other problems."

It was clear from our discussion that Kopp had found the right people — not only to expand Teach For America, but also to make an impact on an entire nation. When we asked about the outcomes of all this hard work, Kopp told us that her organization's fundraising goal for the current year was a whopping $120 million. What's more, in the previous year, Teach For America had more than 25,000 applicants and is now regarded as one of the most selective and prestigious jobs in the United States, even for Ivy League graduates. In 2005, one in eight Yale graduates applied for a Teach For America position. Year after year, thousands of students are now passing up six-figure salaries at high-prestige companies such as GE and Goldman Sachs to spend two years teaching in an inner-city school.

Yet what might be an even greater legacy are the future community leaders who emerge among Teach For America's alumni. Many of today's brightest young politicians, businesspeople, and school superintendents got their start in the organization that Kopp built. We interviewed a former member from Washington, D.C., who described how the head of that city's school system and half of her staff were Teach For America alumni. Nevertheless, when we asked Kopp about the leadership legacy she would leave, it was clear she had yet to give the question much thought. Perhaps she was too busy making things happen to wax philosophical.

One of the more revealing questions we asked Kopp was about how she prioritizes her time. She quickly described how she starts each year with a structured list of all the things she needs to accomplish in the next 12 months; then she breaks that list down by month and week. From the weekly list, she creates a daily to-do list that she follows rigorously. As Kopp talked about how she has all of this "systematized," it sounded like she assumed that we all do this. For her, this level of organization is natural. Kopp told us, "I couldn't exist without that — or at least I couldn't be doing this job without that system."

As we listened to Kopp, it was easy to hear how her top five strengths played a role in the remarkable success of Teach For America. When she spoke about all the children who deserve a better education, you could hear how her Responsibility theme motivates her. As one Teach For America alumnus recounted, "Wendy conveys more than her vision for educational equity — the responsibility to do something about it. To simply be the best new teacher isn't enough. Winning for the sake of students is the only option."

And while Kopp's Competition theme wasn't quite evident on the surface, it manifested in the context of "winning" for students in the face of the status quo. For Kopp, her Competition was more organizational and societal than it was personal. She did everything in her power to ensure that the teachers her organization placed in schools were even better than the top teachers hired through the conventional system.

Yet of all the leaders we have studied, Wendy Kopp may be the best example of how you can take one dominant strength, Achiever, and spend a lifetime applying it. From her detailed task lists to building a national movement from scratch in one year, Kopp's ability to make things happen is without parallel. While her organization has already reached more than *three million* students, it is unlikely that she will rest until children around the world have access to the education they deserve.

INFLUENCING

Influencing Themes

ACTIVATOR	COMPETITION	SIGNIFICANCE
COMMAND	MAXIMIZER	WOO
COMMUNICATION	SELF-ASSURANCE	

Simon Cooper

President
The Ritz-Carlton

Top Five Strengths

MAXIMIZER*
WOO*
ARRANGER
ACTIVATOR*
SIGNIFICANCE*

* INFLUENCING THEME

When Simon Cooper assumed his role as president of The Ritz-Carlton Hotel Company in 2001, he faced a unique challenge. Whereas Wendy Kopp essentially had to create an organization from scratch, Cooper's charge was to take one of the world's greatest brands to a new level of excellence. While it's debatable which assignment had a higher degree of difficulty, Cooper clearly had the most to lose.

The Ritz-Carlton brand was already as synonymous with luxury as Kleenex is with tissue. Their employees were satisfied. Customers were engaged. Quality was ingrained in almost every aspect of the business. Expectations were sky high.

And on a more personal level, Cooper was taking over for a charismatic leader, Horst Schulze, who *was* the brand for nearly two decades. According to Cooper, Schulze "walked on water" in the eyes of Ritz-Carlton's people. With this venerable brand firing on all cylinders, Cooper faced a situation in which there was almost nowhere to go but down. But nothing energizes a Maximizer more than the challenge of taking a company from great to world-class.

When you sit in a room with Cooper, you can almost feel the power exuding from his weathered skin. Born just outside of London, Cooper once sailed charter yachts for a living and played competitive rugby until he was 45. It's still easy to see the former athlete in Cooper's stature and build. Yet his voice and accent are as sophisticated as the brand he leads. Until you get to know Simon Cooper, this refinement seems to mask his intensity and confidence.

From the moment Cooper took the helm at Ritz-Carlton in 2001, he was determined to leave his mark. Like many who lead with the Significance theme, the last thing he wanted to do was simply follow in the footsteps of his predecessor. As Cooper reconstructed the situation, he explained how careful he was to be clear from the outset that he was not planning to walk in someone else's shoes. In his mind, this was the one sure kiss of death for anyone entering a new leadership role. Although his predecessor was widely revered, Cooper knew that the last thing people wanted was a pretender leading the organization.

He also realized that the brand had to grow far beyond the personality of its leader.

Instead of trying to remake a brand that was already at a pinnacle, Simon Cooper aimed to broadly expand Ritz-Carlton's global influence. He started by studying exactly what Ritz-Carlton's customers *already* loved, and he then sought to maximize this opportunity. For Cooper, the key was building on the strengths of the brand. He quickly realized that none of his customers truly *needed* to stay at a Ritz-Carlton. They could easily frequent others properties for half the price, yet they continually returned to the Ritz. So Cooper dedicated even more of his time and attention to studying the unique experience that Ritz-Carlton created for its customers.

As Cooper studied his customers' attachment to the brand, he estimated that 90% of its image was emotional — it was how Ritz-Carlton's employees "bring the brand to life" every time they interact with a guest. Cooper described:

> *People create memories, not things. If we ask guests what color the carpet was in their guest room, they probably won't know. The real value comes from the ladies and gentlemen* [employees] *who bring that hotel to life. Ten percent is the platform, but the rest is people.*

Perhaps this is why Cooper finds himself in his element when spending time with Ritz-Carlton's frontline employees. During his visits, one thing Cooper loves to do is ask his associates what their guests like to buy. While he writes down their responses, which usually consist of the room, food service, or spa treatments, Cooper has another lesson in mind. His follow-up question is somewhat unorthodox: "Now tell me what they *can't* buy."

This is what Cooper sees as his company's core value proposition: delivering the intangibles like smiles, relationships, and caring service. In a world where many guests can purchase just about anything they desire, it is the things they *can't* buy that create true engagement with the Ritz-Carlton brand. Cooper described how he compensates his leaders based on their ability to foster this kind of true engagement, instead of basic loyalty, because they are "in the business of trying to win the hearts and minds" of each guest. If they are able to do so, Simon Cooper hopes to leave behind a legacy of what he calls "guests for life."

Once again making the most of his top theme, Maximizer, Cooper was determined to take a legendary guest experience to an entirely different level. Gallup's initial measures of Ritz-Carlton's employee engagement levels placed them in the top quartile of Gallup's worldwide database. But this was nowhere near "good enough" for Ritz's leadership team, who viewed this as a minimum standard. When Gallup audited Ritz-Carlton's customer engagement, they set an even higher bar. While most of their properties are above the 95th percentile in our customer engagement database — a level that most organizations would consider world-class — Ritz-Carlton challenged its properties to be in the 98th to 99th percentile. If they had a property in the

94th or 95th percentile, it was considered to be in the "red" zone. A hotel in the 96th or 97th percentile was classified as "yellow," and a property could only get to "green" when it reached the 98th percentile. When it comes to a guest's engagement with the brand, Cooper and team were determined to set a new gold standard.

The second major initiative Simon Cooper launched was also aimed at creating lifelong guests, albeit in a bit more direct manner. In the face of resistance, Cooper made the case for Ritz-Carlton to move into selling private residences and fractional ownership. When Cooper introduced this concept in 2002, his judgment was called into question by *The Wall Street Journal* and others. They wondered if placing the iconic Ritz-Carlton logo on residences and time shares would dilute the brand. But Cooper would hear nothing of it.

Cooper had more than enough confidence to sell this concept to the world. When questioned in a 2002 interview about the 11 residences atop New York's Battery Park Hotel, Cooper quickly explained how units selling for a minimum of $25 million — which were occupied by high-profile and celebrity types — didn't exactly "hurt the Ritz-Carlton image." By 2008, Ritz-Carlton's residences and clubs (fractional ownership) were the fastest growing segment of the business, with more than 40 new locations planned around the globe. As evidenced by the financial results, this went on to become one of the best business moves in the company's storied history.

A great financial success alone was probably not enough to satisfy Cooper's need to have a significant impression on the world. When we interviewed him in 2008, it was clear that he took even more pride in the global impact of his organization. Cooper casually talked about visits with kings and heads of state as if they were old friends. And he reveled in telling the story of how he asked rock star/philanthropist Bono to join him in a morning meeting with the housekeeping staff during one of his recent stays. You could see how much pride Cooper took in doing little things like this to win others over.

When Cooper steps back and looks at his influence leading Ritz-Carlton, he regards it in a way that may be too big for most chief executives to get their minds around. His influence is not just about maximizing one of the world's greatest brands. Nor is it about doubling the total number of Ritz-Carlton properties in a mere seven years. And it's not just about the records he set in profits, quality, or employee and customer engagement.

Rather, Simon Cooper's talent for influencing serves the greater purpose of running an organization upon which the well-being of more than 40,000 families depends. As Cooper described how the paycheck of one of his frontline employees in Asia often subsidizes the food and shelter for an entire family, you could hear his Significance theme resonate. Then when he talked of the night-and-day difference that a job at Ritz-Carlton could make for a housekeeper in the Persian Gulf, you get a sense that this is one man who realizes that he can change the world — even if that means influencing one person at a time.

47.

RELATIONSHIP BUILDING

Relationship Building Themes

ADAPTABILITY	EMPATHY	INDIVIDUALIZATION
DEVELOPER	HARMONY	POSITIVITY
CONNECTEDNESS	INCLUDER	RELATOR

Mervyn Davies

Chairman
Standard Chartered Bank

Davies' Strengths

ACHIEVER
FUTURISTIC
POSITIVITY*
RELATOR*
LEARNER

** RELATIONSHIP BUILDING THEME*

If you try to imagine what the chairman of one of the world's largest banks might look like, Mervyn Davies would fit the bill. With his elegantly tailored suit, wire-rimmed glasses, and athletic build, Davies resembles a polished executive right out of central casting. Yet when you speak to Mervyn Davies and study his track record, it becomes clear that he's nothing like the stereotypical chief executive.

From the day that Davies took over as CEO of Standard Chartered, a bank with more than 70,000 employees spread across 70 countries, he relentlessly went against the grain. Instead of thinking solely about the near term, Davies'

Futuristic theme kept him focused on where world markets would be several years down the road. While all of his competitors were emphasizing the then-lucrative markets in Europe and North America, Davies was more interested in diversifying throughout Africa, India, and the Middle East. When other banks were investing in ways to replace people with technology, Davies wanted to invest *even more* time and money in developing his people.

At almost every turn, Davies was leveraging his Relator theme to build stronger connections throughout the organization. In an era when banking CEOs were overly cautious about what they said, Davies instead opted to overcommunicate whenever possible. And while other chief executives were focused almost exclusively on their bottom lines, Davies was just as concerned with building an organization that had "a heart and a soul."

Before he could run Standard Chartered in such an unconventional way, Davies had to begin his tenure by building an extraordinarily diverse leadership team composed of people with vastly different backgrounds and personalities. Given that his company derived more than 90% of its revenue from emerging international markets, Davies felt that he had no choice but to ensure that the bank's leadership group was as diverse as the customers it served. Acutely aware of his own strengths and limitations, Davies set out to surround himself with people who could do specific things much better than he ever could.

Throughout this process, Davies was very candid about his own personality, even placing a coffee cup with his top five themes — Achiever, Futuristic, Positivity, Relator, and Learner — on his desk. He then spent an extensive amount of time analyzing the strengths and weaknesses of people around him, mapping out how they might fit on different teams. This led to some unorthodox leadership choices early on. Just one month into the job, Davies replaced the existing CFO, who had an extensive accounting background, with a young consultant who had no formal accounting experience. What's more, this consultant was still in his thirties. The people around Davies thought he had gone mad.

Fortunately, Davies made concerted efforts to be candid and to overcommunicate about everything he was doing and why he was doing it. This helped him quickly form relationships with key shareholders, business partners, customers, and employees. Then to communicate with his tens of thousands of employees, Davies tried a bit of everything, from videos and cartoons to countless handwritten notes of recognition. He also created more structured communication programs; he would send regular messages to his top 20, 50, and 150 leaders. Davies then made sure to send monthly e-mail updates to all 75,000 employees around the globe. As a result, Standard Chartered's employees always knew what the boss was thinking.

On more than one occasion, Davies was criticized for being too open with his communication. But this didn't quiet him. On the contrary, when Davies' wife of 29 years had a bout with breast cancer during his time as CEO, he sent a candid e-mail to 400 of his top executives explaining exactly what was going on, how he felt, and how it would change his schedule in the upcoming months. And this was not just because it was about *his* personal life — Davies was also widely known for helping everyone at Standard Chartered put their family first. One long-time colleague described how amazed he was that Davies took so much time from his busy schedule to be there for him during a personal crisis.

Davies' candor extended to what he described as "courageous conversations," or more difficult topics. By his own admission, Davies could be very direct at times and described his style as having an "iron fist and velvet glove." Davies also applied this frankness to describing his own personality and shortcomings. He took ownership for his mistakes, and he talked freely about what went wrong.

As a result of Davies' extraordinary openness, Standard Chartered's employees could see how much he loved the bank, and they knew that his heart was in the right place. This created a culture in which employees took ownership over their work instead of passing along blame. It also led to an unprecedented level of trust in their CEO, as they continued to give Davies latitude when he bucked the conventional wisdom. He built trust through relationships.

In 2008, when we sat down to talk with Mervyn Davies in his London offices, he had just moved on from the CEO position to one of a non-executive chairman of Standard Chartered Bank.

By this time, Davies was a regular on *The Times'* list of the most influential businesspeople, and he was widely revered beyond the business community. At the time of our interview, banks around the world were in a state of crisis. Almost every major financial institution was facing substantial losses. But as *The New York Times* and *The Economist* described, Mervyn Davies had set Standard Chartered up to be about the only bank in the world that was able to *grow* through one of the more difficult economic periods in recent history. It was one of the few shining gems in the financial services sector.

When Davies began to describe the reasons why Standard Chartered had thrived in this market, his jovial tone turned serious. As he spoke of the "real soul" and "wonderful story" of this 150-year-old bank that originated in Calcutta, the passion in his voice turned his fair skin a few shades of red. Davies went on to describe how he had "bet his career" early on by focusing on two key things — people and corporate social responsibility — even though many shareholders couldn't have cared less about either one at the time.

While we would have loved to spend even more time talking to Davies about the latter topic — specifically, his contributions to battling HIV/AIDS and cancer globally — to keep our study focused, we attempted to learn more about how Davies had done such an exceptional job of engaging people. So we asked him more about himself on a personal level.

As he began to describe his own personality, you could tell that he was exceptionally comfortable in his own skin. In

Davies' opinion, the most important aspect of leading is simply knowing oneself. In a matter-of-fact tone, he described how, as a leader, you must "know yourself, know the people around you, and then get on with it."

As simple as this may sound, Davies reported that the way he empowered people at times raised red flags. Early on, when he delegated responsibility to employees who had the right strengths and gave them free rein, others worried that he did not have enough personal involvement in key activities. But placing trust in others to deal with areas in which they had competence freed Davies to spend the majority of his time developing talent and coaching future leaders.

Davies described why he opted to use StrengthsFinder and a strengths-based approach throughout Standard Chartered as part of his plans for developing people. "We try to be a company that focuses on people's strengths and not their weaknesses, and I think that the more people realize what their strengths are, the more they can really focus on those areas and really specialize and develop," he said. Davies then concluded with what could be one of the most succinct summaries of the strengths approach that we've ever heard: "If you focus on people's weaknesses, they lose confidence."

It is clear from the bank's financial results that Davies was able to create a culture that engaged people's strengths on a daily basis. But one of the most telling parts of our interview was when Davies talked about the pride he takes from watching other people learn and grow. When we asked about his greatest satisfaction at work, he quickly replied that he could go on for half an hour describing how rewarding it was to see people around him develop and to share in their success.

Davies then took on a more personal tone, describing how he had both of his children take StrengthsFinder and how differently he had developed each of them based on their natural strengths. It was easy to hear the passion in Davies' thick Welsh accent when he spoke of the young people he has had a chance to mentor. When we asked him to talk more about it, he replied, "I love doing that. I absolutely love it. I love listening to them and, you know, at the end of the day, I talk a lot, but I think the greatest skill you've got in management is listening."

Davies then issued a challenge to any aspiring leader. He explained that the litmus test of a great leader is "whether they can quickly write down on a piece of paper all of the people they have developed." If they can't, then Davies thinks those leaders might just have been in the right place at the right time — accidentally and not by design. Not only can Davies assemble a long list of the people and relationships he has invested in over his 15 years at Standard Chartered, but he also expects his people to be able to do the same.

It was clear from our conversation with Davies that he is a man who is in his element when leading people and building relationships. At one point in our discussion, Davies talked about the way people energize him even more than money. Again, not what you might expect to hear from one of the world's most legendary banking executives. Yet during

Davies' tenure, in addition to all of the international expansion, Standard Chartered Bank's stock price soared, and its market capitalization nearly tripled.

By doing things his own way, Davies not only achieved unparalleled financial results, but he also built an organization in which each of his employees could, as Davies put it, "look back on their careers and realize how much fun they had working for the bank." At every turn, you could see Mervyn Davies' keen strength for relationship building and his relentless positivity about the future.

STRATEGIC THINKING

Strategic Thinking Themes

ANALYTICAL	IDEATION	LEARNER
CONTEXT	INPUT	STRATEGIC
FUTURISTIC	INTELLECTION	

Brad Anderson

Chief Executive Officer
Best Buy

Top Five Strengths

CONTEXT*

IDEATION*

INPUT*

LEARNER*

CONNECTEDNESS

* STRATEGIC THINKING THEME

As you enter Best Buy's corporate headquarters in Minneapolis, you can tell that the company does things a bit differently. The building is modeled after an airport terminal with a massive connecting hub in the middle. This hub is always abuzz with conversations and employees who look like they are genuinely having fun. The environment feels more like a student union on a college campus than a Fortune 500 company's corporate headquarters. At first glance, it is hard to figure out how it would be possible to create this kind of atmosphere, let alone in a company with 150,000 employees.

But when we spent some time with Best Buy CEO Brad Anderson in 2008, it all started to make sense. With his round face, bright eyes, and jovial smile, Anderson certainly doesn't look the part of a chief executive. It's easier to picture him teaching a high school history class than running a shareholder meeting. Very few people radiate this level of warmth and sincerity during an initial introduction. Frontline employees at Best Buy describe Anderson as one of the most approachable people they've met.

As much as Anderson's look and demeanor may not fit the conventional CEO mold, his actions and personality wander even farther off the beaten path. Yet over the last 25 years, Anderson took an unknown regional electronics store and helped make it into the largest consumer electronics retailer in America. The amazing story of his career's trajectory is only overshadowed by the organization's performance during his tenure.

If you look at Anderson's top five themes — Context, Ideation, Input, Learner, and Connectedness — you might expect to find someone who was an exceptional student at a young age. But he was not. Anderson struggled and had poor grades in high school. That is why it was such a surprise when Anderson, and his grades, began to thrive in college. Once he was free to study the topics of his choice, it opened his mind to a world of endless opportunity. Anderson's realization in college — that he could build his life around this innate curiosity and voracious appetite for learning — would prove to be critical throughout his career.

At the age of 24, Anderson joined Sound of Music, a small electronics retailer in Minneapolis, as a sales associate. After a few years, he became a store manager. Anderson was then asked to join the team at its corporate office. By 1983, the company had changed its name to "Best Buy" and had seven stores. The retailer expanded and launched several supercenters over the next few years.

By 1986, Anderson had joined the company's board of directors and was working very closely with the company's legendary founder, Dick Schulze. It was around this time that Anderson, Schulze, and a few others began to question the entire model on which electronics retailers operated: Almost every consumer electronics store paid its salespeople based on a commission of how much they sold.

As a result, when customers walked into almost any music or stereo shop prior to 1990, they were mobbed by pushy salespeople trying to close a deal. What's worse, these commissioned sellers were usually hawking the display models that would put the most cash in their pockets, even though the televisions and stereos were not in stock. When Anderson gathered a focus group of customers and asked them which major electronics retailer they trusted, he recalled how they would simply "break into laughter." People felt less pressure walking across a used car lot in those days.

As Anderson looked at successful retailers in other industries, he noticed very different business models. One of his early cues came from the experience that grocery stores provide, where everyone is free to browse and they know that products will be in stock. Anderson, Schulze, and team wondered if Best Buy could follow a similar model — one that they thought would be much more likely to please the average customer. But there were major obstacles in the way, from the way manufacturers and distributors operated to the expectations of the thousands of people in sales roles.

Anderson and Schulze knew that a decision to follow this new model would send shockwaves through the entire industry. But they also had a hunch that it might be the only way for their company to survive. As Anderson later described to us, "That was a breakthrough moment, and it only happened because the company was going to go out of business if we played by the rules."

So when Anderson and Schulze made the formal recommendation — that Best Buy move away from a commissioned sales model — they faced intense resistance. Even within the company, there were many skeptics. But when people challenged the idea, Anderson would remind them to "think about the next *fifteen* years, not the next *five*."

Based on this idea, Best Buy implemented a new strategy that would forever change the retail sales model. As a result of this shift, customers no longer felt the pressure of salespeople breathing down their necks — and were now filing into Best

Buy stores just to browse. Shortly thereafter, other consumer electronics stores and retailers in other industries followed suit.

Anderson's career continued to advance during this time of transition, and he was named Best Buy's president in 1991. From the day Anderson assumed this leadership role, it was clear he wasn't going to fit anyone's preconceived notions of a top corporate executive. Instead of conforming to the new role, this self-described "odd duck" decided to do things quite differently.

While Wall Street analysts, among others, expected Anderson to take a more conventional approach as Best Buy's new president, that's not what he did. Much to their consternation, Anderson would simply disappear for weeks on end in search of new ideas. Instead of poring through trade or business books, he read everything from *Rolling Stone* to historical biographies. Anderson attended non-electronics conferences in search of bigger ideas. He brought in countless outside experts to challenge Best Buy's thinking. His Ideation, Input, and Learner themes were always at work. By Anderson's own admission, he challenged conventional wisdom to the point where it was "radically complained about by my peers."

Anderson's insatiable curiosity also led to an unconventional people-leadership approach. He quickly surrounded himself with leaders who he knew would challenge his thinking. And he was also careful to select leaders who could effectively develop the strengths of those under their charge. Once again breaking the mold, Anderson was as concerned about the personal chemistry of the team members as he was about their experience or technical competence.

When we spoke with Anderson, he described how his most senior leaders were "wildly different" from one another. Yet they found a way to accommodate each other by placing a great deal of trust in each person's unique strengths. Anderson described how he could talk passionately in an executive meeting about his ideas for the future and turn to see that he had completely lost his CFO's attention. And in turn, when he talked about how his gifted CFO would work through spreadsheets until 8:00 at night, Anderson said, "You might as well give me hieroglyphics." This was just one of the many partnerships Anderson formed to complement his strengths and limitations.

What may be even more remarkable is the degree to which Anderson was able to stay true to his own strengths in his role as CEO. When we asked him how he was able to provide leadership for more than 150,000 Best Buy employees, Anderson described the critical role of his self-awareness and authenticity. While Anderson may not be a natural at working a room or chatting up a store full of frontline employees, he has developed a unique way to connect with Best Buy's employees, customers, and shareholders as he travels around the world: He simply asks great questions.

As one Best Buy employee described, Anderson can walk into a store and make each employee feel like "*the* most important contributor because he asks each person what *they're* doing, what's getting *them* excited, and what *they're* seeing in the store." She went on to describe how she had never seen a CEO do this so well and observed how Anderson is genuinely "curious about people and their own life story." Once he has this context in his mind, it helps him see what needs to happen in the future.

While studying successful leaders like Anderson, one of the most revealing items we asked leaders to respond to was: "Please describe a time when you felt like you were 'in a zone,' where time almost seemed to stand still." Anderson told us that he feels this way almost any time he is learning something, whether it is from a person, a book, or solving a puzzle. He said, "I find it amazing that I can be fifty-eight years old and seem to know less every day. No matter how much you learn, it just continues to open up more substantial questions and relationships."

Anderson went on to tell us about how, the night before our conversation, he had stepped out of a dinner early so he could spend some quality time at a nearby Barnes & Noble before heading home. The voracious learner, who reads several books each week, said that he found at least 28 books he wanted to take home that evening. "It's a disease," he said with a smile.

We suspect that there are millions of Best Buy employees, customers, and shareholders who are glad that Brad Anderson let this lifelong curiosity run its course. While his strategic thinking led to a few experiments that did not pan out, Anderson's unconventional approach helped create unprecedented growth. Had you invested $1,000 in Best Buy's stock in 1991, when Anderson took over as president, it would have been worth $175,000 by 2008. Not bad for a guy who started at the ground level and spent the next 25 years soaring with his strengths.

THE COLLECTIVE TALENT OF A TEAM

As you can hear in the stories of these four leaders, they have exceptional clarity about who they are — and who they are *not*. If any one of them had chosen to spend a lifetime trying to be "good enough" at everything, it's doubtful they would have made such an extraordinary impact. Instead, they've all been wise enough to get the right strengths on their teams, and this has set up their organizations for continuous growth. Unfortunately, very few teams are truly optimized around their strengths.

As we learned from working with the top executive team at Hampton, a U.S.-based hotel chain, once a team understands how to leverage each person's strengths, it quickly finds new ways to drive organizational performance. When we first met with Hampton President Phil Cordell, his company and leadership team appeared to be on the right track. With more than 1,500 locations, Hampton was expanding rapidly and had developed a strong consumer brand. Cordell had a leadership team of extraordinarily talented individuals, each of whom possessed a deep passion about the organization and its brand. His team was innovative, creative, and had an impressive track record. Hampton was already well ahead of its competitors, but Cordell wanted to widen that lead. He also hoped to initiate a major international expansion.

Cordell realized that what got his team to that point would not be sufficient for the future, given his ambitious goals. As we conducted interviews with each member of his core executive group, we discovered that they were fiercely loyal to the brand, eager to drive performance, and had great respect for Cordell as the team's leader. But we also found a few potential land mines. Interestingly, the leadership team's loyalty to Cordell had a major drawback. Team members continually escalated their issues to Cordell for resolution instead of working them out among themselves. This eroded trust among colleagues, and it also meant that Cordell always had to be the one to take action, thus creating a bottleneck and slowing everything down.

Unbeknownst to his team, Cordell spent the vast majority of his day in "response mode." He had no desire to be in the middle of all these discussions, nor did he need to be. This was not just a problem of effective delegation; the main issue was that his team members didn't have strong relationships with each other.

After several discussions with Cordell, it was clear that his aggressive growth plans were going to stretch, if not break, the team. To develop a plan and lay the foundation for international growth, Cordell would need to be absent for significant amounts of time. And the way the team was functioning, it would all but collapse if Cordell was taken out of the equation for prolonged periods. Cordell needed to build a team so strong that it would hardly skip a beat when he was gone.

But to get there, his group needed to confront major issues — one of which was that it was composed of extremely talented individuals who knew how to get things done but who were always "competing to take on more," as one member said. While some of you may be wishing that you had this kind of problem in your workplace, at Hampton, it led to a more divided than collaborative team.

After conducting in-depth interviews with each member of the team, along with looking at a composite of their StrengthsFinder results, it became clear that the team needed to build stronger relationships — and do it quickly — if it wanted to establish trust and meet its ambitious growth plans.

Cordell confronted the team's problems as candidly as possible. When members began to talk openly about their challenges, Cordell bluntly said that they had miles to go in developing a "shared culture." He described how he needed the team to feel comfortable enough to have tough discussions, which were not happening. He called the lack of trust a "deal breaker."

The entire team then spent a great deal of time talking about how it could build stronger relationships and trust. Team members quickly realized that they simply didn't spend enough time together; they were all getting so caught up in trying to handle day-to-day requests that they were too busy to think about the team itself, let alone the future.

They also realized that they needed much clearer expectations to maximize efficiency and avoid overlap. Even more disturbing was that most of the team members reported having problems balancing their workload with their family lives because the environment had become ultra-competitive.

These initial meetings and discussions produced substantial changes. For example, Scott and Kurt, two members of the team who had a knack for building relationships, agreed to dedicate more time to helping strengthen team bonds. Gina passionately described how she could help maximize the strengths of others, on the team and beyond, so they have clear expectations and even more room for growth. Judy decided to leverage her ability to stimulate dialogue and ideas to keep the group focused on the future. During one group meeting, the team created "leadership brand" descriptions that detailed how they planned to leverage their strengths to help the company grow.

Soon after these initial discussions, it was clear that Hampton's leadership team was headed in a very different direction. In meetings, instead of getting defensive when Gina would ask questions, the others knew she was just satisfying her need for input. When Judy started in with a big idea, they knew it was a part of her natural instincts, instead of an annoying challenge to the way they were used to doing things. As a group, they agreed to discuss issues collectively before elevating anything to Cordell. In turn, Cordell committed to "knock down" problems that went to him before going through this process.

Six months after these intensive discussions, the relationships, level of trust, and the leadership team as a whole were thriving. Before these conversations, the team would never have met as a group if its leader couldn't be there. But by this point, thanks in part to Scott taking on the responsibility, the team continued to meet and keep things moving in Cordell's absence. From this strong foundation, the team continued to raise the bar on its own while Cordell focused more time on the international expansion.

The teams we have worked with report gaining the most from regular discussions of each person's strengths in the context of the team and its current goals. As you can see from the Hampton leadership group's experience, whether a team has been together 15 days or 15 years, each person benefits from having a basic understanding of the others' strengths. When teams are able to use a common language of strengths, it immediately changes the conversation, creates more positive dialogue, and boosts the team's overall engagement.

WHAT STRONG TEAMS HAVE IN COMMON

Once you have the right people on your team, it's relatively easy to tell if you're headed in the right direction. Gallup has been studying leadership teams for nearly four decades, and we have witnessed some telltale signs of strong, high-performing teams:

1. **Conflict doesn't destroy strong teams because strong teams focus on results.** Contrary to popular belief, the most successful teams are not the ones in which team members always agree with one another. Instead, they are often characterized by healthy debate — and at times, heated arguments. What distinguishes strong

teams from dysfunctional ones is that debate doesn't cause them to fragment. Instead of becoming more isolated during tough times, these teams actually *gain* strength and develop cohesion.

One reason great teams are able to grow through conflict is because they have a laser-like focus on results. Top teams seek out evidence and data and try to remain as objective as possible. As a result, while people may have different views, they are united in seeking the truth. Team members can argue, but in the end, they are on the same side. In sharp contrast, failing teams tend to personalize disagreement, creating territorial divides that continue to grow.

2. **Strong teams prioritize what's best for the organization and then move forward.** While competition for resources and divergent points of view exist, the best teams are able to keep the larger goal in view. Members of high-performing teams are consistently able to put what's best for the organization ahead of their own egos. And once a decision is made, these teams are remarkably quick to rally around it.

   One team we worked with had a long, drawn-out debate over whether they should invest in a major new idea. After months of intense discussion, it would have been easy for John, who technically "lost" the argument, to sit back and sulk after the decision was made. Yet the exact opposite occurred. Like other great team members we have studied, John got over the debate quickly and asked, "What resources do you need from me to make this work?" Once a decision is made, members of great teams rally around to help one another (and the organization) succeed.

3. **Members of strong teams are as committed to their personal lives as they are to their work.** The best teams we studied seemed to live a contradiction. Some of the most productive team members work extreme hours and endure amazing levels of responsibility. They sometimes work 60 hours a week and travel frequently. Yet they consider their lives to be in balance. They seem to have enough time to do the things they want to do with their families. As hard as they work for the company, they seem to bring the same level of energy and intensity to their family, social, and community life.

   When we interviewed Standard Chartered's Mervyn Davies, he told us that he takes as much pride in the amount of time he spends with his wife and two children as he does in his bank's extraordinary performance. While this may seem surprising to an outside observer, Davies described how he strives to dedicate 100% of his attention to his family throughout the weekend. Davies extends this philosophy to all of his bank's employees, always encouraging them to put family first.

Our evidence suggests that the most successful teams have members who are highly engaged in their work *and* highly satisfied with their personal lives. By setting this expectation, which so many others perceive as unattainable, they attract new members who want to do the same. This high level of engagement then sets a powerful example for the entire organization.

4. **Strong teams embrace diversity.** Our work with the leadership teams of some of the most innovative and successful companies in the world reveals a simple truth: Having a team composed of individuals who look at issues similarly, who have been the product of comparable educational backgrounds, and who have experiences with similar track records and approaches is not a sound basis for success.

   Earlier, we outlined why leadership teams need a diversity of strengths — ideally, including individuals who demonstrate a balance of strengths in different leadership dimensions. But diversity goes well beyond team strengths. We have also discovered that the most engaged teams welcome diversity of age, gender, and race, while disengaged teams may do the opposite.

   For example, Gallup's research revealed that actively disengaged team members are 33% more likely to plan on leaving their job if they have a manager of a different race (when compared to having a manager of the same race). However, when we study engaged teams, people are actually a bit *more likely to stay* with the company if they have a manager of a different race. So whereas a disengaged employee is more likely to quit his job if he has a supervisor of another race, an engaged employee is less likely to leave under the same circumstances.

The most engaged teams look at individuals through the lens of their natural strengths, not at physical characteristics. This keeps the team focused on the potential within each person and minimizes the influence of superficial barriers.

5. **Strong teams are magnets for talent.** Another way to spot a strong team is to look for the teams that everyone wants to be on. For some people, it may be hard to understand why anyone would want to join a team that works longer and harder and that comes complete with sky-high expectations. This is especially true when these "it" teams are characterized by intense competition and extreme accountability for results.

   Yet despite all the consequences and pressure, it is your potential stars who most want to be on these teams. They see top teams as the most stimulating place to be — the place where they can demonstrate their leadership and have a real impact. Instead of being intimidated by the challenge and responsibility, they seek out these teams.

> As former United Nations Secretary-General Kofi Annan described in a leadership interview with Gallup, building a strong team within an organization requires the same basic ingredients of a successful soccer squad. Annan encourages the teams to "play in a coordinated manner," but he is quick to point out that should not exclude "individual brilliance." Annan explains that as long as the brilliant ones are pulling with us toward the same goal, this individual talent actually strengthens the collective team. As a result, successful teams often have an organization-wide influence.

Building a strong team requires a substantial amount of time and effort. Getting the right strengths on the team is a good starting point, but it is not enough. For a team to create sustained growth, the leader must continue to invest in each person's strengths and in building better relationships among the group members. When leaders can do this, it allows the entire team to spend even more time thinking about the needs of the people they serve.