

THE MOUNT · VERNON · REPORT

“Issues Affecting Reputation Management and Strategic Communication”

The Five Traits of 21st Century Leadership

Nature abhors a vacuum, and the tumult of the last two years has created a void of historic proportions in society.

The dot-bomb implosion, the Sept. 11 attacks, the war on terrorism, our nation’s economic roller-coaster ride, and the financial and ethical scandals wracking Wall Street and corporate America have worked to generate a deep, sustained longing for political, civic and business leadership.

Anxious times create increasing demand for the rock-solid behavior and vision most often associated with leadership.

Information from *Dow Jones Interactive* (DJI), a global database of more than 6,000 media outlets, underlines the phenomenon. In the first nine months of 2002, for example, the word “leadership” appeared in 291,413 stories and news releases – up 7.5 percent from 2001, when “leadership” accounted for 271,009 mentions during the same period. The 2001 media mention rate rose only one percent compared to the first

three quarters of 2000, when “leadership” recorded 268,494 hits, according to DJI.

A fall survey of leadership-development executives by The Conference Board found that six out of 10 senior managers believe leadership development is more of a priority than ever. Despite declining business, an overwhelming majority of senior executives said they are increasing their budgets for programs designed to improve leadership skills.

“During tough times, leadership – both current and bench strength – is crucial,” concluded *CFO* magazine.

Another September survey, by human resources consultant Watson Wyatt Worldwide, measured the attitudes of nearly 13,000 workers in the current environment. The poll found that only four in 10 “trust” senior executives at U.S. companies, a proportion considered significant because companies with low levels of worker trust typically under-perform peers.

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Personal Perspective

All of us have leadership qualities. We are the leaders of our own lives and our own destinies. At some point, we may be called upon to guide others, to serve others and to inspire them to follow us. This is the call to leadership. The reputation of an organization’s leader serves as an indicator of its ethos and culture.

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Humble Power

In an era of government, businesses and newsrooms dominated by men, Katharine Graham became the first woman to run a major media company. In 1963, well before the apex of the equal rights movement, she took on this role at *The Washington Post* – at age 46 and shortly after her husband’s untimely death – and did so with no previous experience. In a time when women were generally brought up to expect a life of

marriage and motherhood, this woman surpassed the standards of the time and became a true role model for leaders even today.

Graham led the *Post* through two historical periods – the publication of the Pentagon Papers in 1971 and the Watergate scandal in 1974. She was the first woman to lead a *Fortune* 500 company, and the first to

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“Falling levels of employee trust are a major threat to future corporate competitiveness,” the survey’s author, Ilene Gochman, told *Newsday*.

There’s no end of books that seek to crystallize the qualities of leadership. “*Who Moved My Cheese*” has been a *New York Times* business best seller for several years. Former New York Mayor Rudolf Giuliani, now launching his own management consulting firm, even named his new book “*Leadership*.”

While leadership has become a kind of 21st Century Holy Grail, its precise nature depends on subjective personal context. Customers, analysts, the media, employees and shareholders would offer an endless string of definitions, varying widely depending on their age, socio-economic status, level of education, personal and professional priorities, upbringing and life experiences.

FOR COMPANIES AND ORGANIZATIONS CONCERNED ABOUT THE NEXUS OF LEADERSHIP AND REPUTATION MANAGEMENT, FIVE INTER-LOCKING TRAITS SEEM TO FORM THE BACKBONE OF WHAT KEY AUDIENCES HAVE CONSIDERED “LEADERSHIP” BEHAVIOR DOWN THROUGH THE AGES.

Individual leaders are typically defined by a unique collision of personality and providence. Like Gen. George C. Patton during World War II, Giuliani was considered abrasive, egotistical and arrogant throughout his career. But his same single-minded nature proved the perfect leadership formula for a city and nation badly staggered by unthinkable horror.

Even Giuliani admits his leadership derived from the legacy of others, crediting Winston Churchill as his model during Sept. 11 and former GE Chairman Jack Welch as the mentor whose ideas helped him improve the quality of city services. Welch’s leadership reputation suffered its own hits this year, but his management of GE remains a performance benchmark of such enduring strength that it limited the damage he sustained.

For companies and organizations concerned about the nexus of leadership and reputation management, five inter-locking traits form the backbone of what key audiences have considered “leadership” behavior down through the ages:

Inspiration – Executives and companies that can unite and motivate audiences behind a single goal or direction are most often cited as market leaders. It doesn’t matter whether the goal is an intangible, such as hard work or perseverance, or a concrete deliverable, like improved customer service; the act of successfully inspiring others to enthusiastically adopt a collective mission is what counts.

Honesty – The perception of righteousness and fairness is crucial to credibility. With insider scandals enveloping supposedly independent analysts and accountants, demonstrating integrity is a leadership no-brainer these days. Even being honest about a lack of leadership can be considered leadership because it means you are accountable enough to perform a self-critical evaluation. AOL Time Warner Chairman Steve Case, for example, won plaudits in October by acknowledging to his investors that his company had been hurt by “a lack of leadership” by focusing on short-term profits instead of long-range customer satisfaction.

Consistency – Cisco CEO John Chambers is Exhibit A under this category. Despite the market free-fall for telecommunications gear in recent years, Chambers has maintained the same kind of rigorous public speaking schedule and visibility levels he pursued when times were good for his company. Part cheerleader, part confessor, Chambers knows that leadership holds the gravity of a marriage vow, demanding a visible market presence in sickness and in health.

Empathy – Ivory tower companies are distrusted by audiences, not admired and respected. Microsoft suffered this failing for many years, enjoying increasingly profitable market domination even as the chasm with customers widened. But listening to and, when appropriate, responding to market concerns can help leaders build a relationship of healthy respect. Today, Microsoft is sharing code, openly meeting with user groups and working to address security issues in new products.

Communication – The leadership traits listed above cannot take life unless words and deeds occur to support them, and they are communicated appropriately to the proper audiences. Employee meetings, customer visits, investor conference calls, speeches, news releases, annual reports and other vehicles of corporate relations serve as opportunities for conveying to key audiences a company’s sincere commitment to leadership.

The latter point is crucial because perception is both the promise and the peril of leadership. Leadership that appears choreographed or contrived for enrichment runs a substantial risk of triggering a reputation-damaging backlash.

In the same week that Giuliani’s new book won a relatively positive review in *USA Today*, for example, *Newsday* cynically connected the dots for the ex-mayor’s former constituents, speculating whether his “public-relations drive” might inspire “Giuliani fatigue.”

The story’s headline – “For Giuliani, ‘Leadership’ Has Its Privileges” – demonstrates that simply wrapping oneself in the mantle of “leader” can undermine the very notion of the word. More often than not, leadership is a title bestowed through the prism of history.

~ Ed Cafasso

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Some seek to lead; others accept the responsibility willingly when it is thrust upon them. As Jack Kennedy reportedly said, "I became a hero when they sunk my boat – I didn't have a choice." The celebrated polar explorer Sir Edmund Shackleton emerged as one of the greatest leaders in maritime history by turning a disaster – the stranding of his entire crew in the desolate wastes of Antarctica – into an epic, heroic story of achievement against all odds. He kept the morale of his crew intact and kept their focus so directed toward their goal that they overcame the odds and lived to tell their story. Thus, Shackleton is considered a leader even though he failed to reach the South Pole. Leaders such as Winston Churchill and General George Patton achieved their finest moments when the world was in conflict, and they never regained prominence in society once the job they had set out to do was completed. As they say, wartime generals become desk jockeys in peacetime. The leadership moment they seized had passed.

Leaders draw followers to them because of their ability to instill confidence. Their judgment is trusted. They are respected for what they say and do, and for their ability to make the right decision consistently over time. Leadership equates with selflessness.

Great leaders often overcome seemingly insurmountable obstacles by motivating others to do their best against the odds. It has been said that George Washington was not well versed in the formal ways of the professional field commander, but he was able to mobilize a ragtag guerilla militia to defeat the most professional army of the time. New findings suggest Washington was not above enjoying a drink with his troops no matter what the outcome of the battle. He had that intuitive sense that to lead, one must be in touch with the feelings of people to truly understand what can be asked of them.

Leaders are never short of ambition. They are by nature goal oriented. Still, history has set the bar high for leaders. The passage of time has deigned some with almost mythical status. There are few like William the Conqueror, Alexander the Great or Suleiman the Magnificent roaming the halls of adventure and conquest these days. Though history does celebrate the dynamic, take-charge, heroic leaders of the past, the enduring changes in society can point to the more humble leaders, like Martin Luther King, Jr., Mahatma Gandhi and Nelson Mandela. Leadership does not have to be about winning medals and accolades. Many of the world's greatest leaders sought to give others the credit.

In this issue of the *Mt. Vernon Report* we explore the intangible and intrinsic qualities of leadership. We need leaders more than ever. Look in the mirror: You may be looking at one.

~ Peter Morrissey

Old Fashioned Leadership Experience

History gives us countless examples of steady, strong leadership at a time when a bold step forward was needed. From Franklin D. Roosevelt's steady hand at the wheel during the Great Depression to John F. Kennedy's call to send a man to the moon, there are many such examples in American history.

In business however, there isn't as much.

But they're there. Some of the best principles in management and leadership in American business stem from America's best-known businessman: Ben Franklin.

Franklin was extremely successful as an inventor, printer and publisher. His triumph in business is largely attributed to some management rules he followed closely – at least, according to Dr. Blaine McCormick, author of "Ben Franklin's 12 Rules of Management."

- ★ Finish better than your beginnings. Business is more than just maintaining the status quo.
- ★ All education is self-education. In the end, you are the only teacher you'll really ever have.
- ★ Seek first to manage yourself, then to manage others. A good example is the most effective memo you'll ever write.
- ★ Influence is more important than victory. Business is about building relationships.
- ★ Work hard and watch your costs.
- ★ Everybody wants to appear reasonable. Everybody can rally around the idea of reasonableness. Coercion is a much less popular notion.
- ★ Create your own set of values to guide your actions.
- ★ Incentive is everything. Reward is a powerful tool.
- ★ Create solutions for seemingly impossible problems. In the end, business is about helping other people solve their problems.
- ★ Become a revolutionary for experimentation and change.
- ★ Sometimes it's better to do 1,001 small things right than only one large thing right. Hoping for one big idea to save your company is like hoping to win the lottery.
- ★ Deliberately cultivate your reputation and legacy. A good reputation is your most sustainable competitive advantage.

Sometimes old fashioned ideas are still the best ideas.

~ John Lamontagne

"THE TASK OF THE LEADER IS TO GET HIS PEOPLE
FROM WHERE THEY ARE TO WHERE THEY HAVE NOT BEEN."

~ HENRY KISSINGER

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serve as a director of the Associated Press. While the list of her "female firsts" is admirable, Graham's reputation was not simply relegated to the category of female leader. Instead, she was thought of as a successful icon in the publishing world – a true leader who was powerful, dedicated, humble and courageous.

Graham committed herself with passion and the highest standards in her quest for the truth. In her leadership of the *Post*, Graham exuded dedication, though it took some courage at first. She continually defended the freedom of expression. In one of her most famous moves, Graham directed her staff at the *Post* to continue publishing the Pentagon Papers, believing the information contained in them was exactly the information that the public needed to have in order to facilitate intelligent opinions. While this move was one that harbored consequences that potentially threatened the financial stability of the *Post*, Graham stood by her ideals and published.

Graham believed that "journalistic excellence and profitability go hand in hand." This dedication rings true for other businesses as well. A leader who dedicates him or herself to providing the best possible service, product or relationship – excellence that customers demand – will lead a stable and secure organization. Ten years into her tenure at the top of the *Post*, Graham took a stand and maintained her pursuit for excellence and truth in publishing the Pentagon Papers. In doing so, she gained recognition as a woman of power. Today's leaders would do well to follow her lead.

Though she dismissed the description quickly, Graham was often described as one of the most powerful women in the world. She insisted that she was not single-handedly responsible for shaping the persona of the *Post*. A modest leader, Graham was also not overconfident. As head of the *Post*, Graham gave credit where credit was due. This is a skill that can be used in many business situations. Though humbling, it creates allies quickly. While she was obviously well respected, especially during her later years at the *Post*, Graham describes herself as a "doormat wife" and "second-class citizen" in her Pulitzer Prize-winning memoir "*Personal History*." Though self-doubting, Graham was still able to rise above the fray and lead with competence and confidence during her long tenure at the *Post*. This she did by sheer dogged

determination to be the best and provide the public with what she truly believed was rightfully theirs – the truth.

The *Post* – and Graham – took steady heat from President Nixon and the White House during the Watergate years. Graham was at the helm of the *Post* while the various scandals that collectively came to be known as Watergate were exposed. Today's leaders may face unpleasant decisions, too. Yet if they follow their instinct to provide the best for their consumers and stick to ethical ideals – no matter how difficult that may be – they, too will be perceived as influential. Graham's tenacity and dedication to publishing the truth led her down a path of prominence and distinction. By using the power she had established during her tenure at the *Post*, Graham furthered her influence, as many leaders can, by making courageous decisions and sticking to them.

Those who knew her well commented often about Graham's "wondrous laugh." She was able to appreciate humor, and laugh out loud – and not cautiously, either. Rather than being unapproachable and stodgy, Graham knew the power of relationships. She is often remembered for her genuine friendships, with celebrities and non-celebrities alike. She and Nancy Reagan had "secret lunches" while Ronald Reagan was president. Making relationships a priority, learning to laugh out loud – perhaps today's leaders should make note of the reminder to be human and reach out to others.

While some may argue that Graham was born into wealth and married into it as well, it's clear that such providence is not the reason she became an enduring figure in the world of media, politics, and business. Leadership qualities took over and elevated Graham beyond the title of publisher. Graham established the standards in her industry. She created an expectation of what a good publisher should be and do, by demonstrating it herself. In her courageous yet humble way, Graham became an icon in the publishing industry through her dedication to excellence and the quest for truth so that she could provide her consumers with what she thought they deserved. The qualities she brought forth in her career are lessons that still echo for leaders today.

~ Angela Murdough