

23. Your Leaders Need to Also Be Your Best People—Built of the Highest Moral Fiber

Perhaps the most important Playbook Strategy of all that has and will stand the test of time is to build the company around leaders who are principled, fair, compassionate, honest, humble, and driven. The culture of the company is established by its founders and early leaders. The personality and code of ethics are framed in the company's earliest days, making it imperative that your leaders are also your very best people. In *Beyond Talent*, John Maxwell references former US Army General J. Lawton Collins, "No matter how brilliant a man may be, he will never engender confidence in his subordinates and associates if he lacks simple honesty and moral courage."

Leadership is not a part-time job—character, class, and integrity are genuine—on display 100% of the time, or false advertising. There is simply no in-between which is precisely why reputations that are built over many years of service can be destroyed in an instant. Leaders are watched closely both inside the company walls and in every imaginable social setting. Their personal lives are constantly being scrutinized and social media has added an even greater level of visibility to seemingly track an executive's every move. Simply put, there is no place to hide; leaders must be accountable at all times...no exceptions. In *My Personal Best*, the late Hall of Fame college basketball coach John Wooden wrote, "What you do is more important than what you say you'll do." The only way to establish an ideal culture is to build it around leaders whose character and integrity are top notch.

The most effective leaders of the most prolific startup success stories have found a way to strike the right balance between drive and humility. Jim Collins details the two very different sides of what his team called Level 5 Leadership in *Good to Great: Professional Will and Personal Humility*. The defining characteristics of these disparate qualities from his study are detailed below:

Professional Will

- Creates superb results
- Demonstrates an unwavering resolve to do whatever must be done to produce the best long-term results no matter how difficult
- Sets the standard of building an enduring great company
- Looks in the mirror, not out the window to apportion responsibility for poor results, never blaming other people, external factors, or bad luck

Personal Humility

- Demonstrates a compelling modesty; never boastful
- Acts with quiet, calm determination
- Channels ambition into the company, not the self; sets up successors for even greater success in the next generation
- Looks out the window, not in the mirror, to apportion credit for the success of the company to other people, external factors, and good luck

When your most outstanding people are the ones leading the organization, the level of commitment and loyalty that naturally follows has propelled many very good companies to elite status. Collins adds, “Level 5 leaders are characterized by humility and a tendency to avoid

the spotlight...they recognize that everyone on the team is important, and they understand that people do better work and do it with greater effort when they are recognized for their contribution." James Kerr strikes a similar tone in *Legacy* noting, "Successful leaders balance pride with humility: absolute pride in performance; total humility before the magnitude of the task...they are never too big to do the small things that need to be done."

When the company's best people set the tone for the way the organization conducts all aspects of the business, the quality and velocity of its achievements are amplified. Former Citigroup Chairman and CEO Charles Prince was consistent in his desire to pursue quality engagements rooted in sound fundamental business practices. He suggested that, "How we do business is at least as important as how much business we do." The character of the company is on display each and every day and plays an outsized role in the quality of people it attracts. Former Starbucks CEO Charles Shultz confirmed, "People want to be part of something bigger than themselves. They want to be part of something they are really proud of, that they'll fight for, sacrifice for, that they trust." That spirit is established early on with the top upstarts when its founding leaders consistently demonstrate a level of integrity that is beyond reproach.

Ethical and fair-minded leaders are not only magnets for attracting top talent to run the business, they also draw praise from investors and customers as well. In short, we are naturally attracted to doing business with good people. It is not a coincidence then why the most incredible startup outcomes are led by those companies with the most principled leaders. In *Grit*, Angela Duckworth asked JPMorgan Chase CEO what he looks for in his leadership team. His answer, "Capability, character, and how they treat people. Later, he told her that he asks himself two questions about senior management. First: Would I let them run the business

without me? Second: Would I let my kids work for them?" Employees, investors, and customers seek relationships with companies that are founded by leaders built of the highest moral fiber. In Dov Seidman's *Why How We Do Anything Means Everything*, he notes, "Inspirational leaders understand that real, sustainable value can be achieved only when you pursue something greater than yourself that makes a difference in the lives of others. The word I use for this is 'significance.'" It is where significance is found that you will also find companies that are guided by the very best people.