The Real Legacy of Leadership: Aligning Rhetoric to Reality

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Whether you lead a global organization or a small team, success depends upon instilling in your followers a clear, shared image of the purpose and aspirations of the organization. In times of change and uncertainty, people look to their leaders for inspiration and confidence. Skilled leaders reflect back a sense of purpose and perseverance. Those less skilled reflect a sense of confusion and desperation.

This paper explores the boundaries between inspiration and desperation, between organizational effectiveness and ineffectiveness, between skilled and less skilled leadership. The focus of our exploration will be on the critical need for leaders to ensure that their rhetoric and that of their organization matches the reality of the organization’s operating environment and culture. That is, for leaders to ensure that their organization actually is what their strategy and mission statements say they aspire to be. The discussion will show that when leaders achieve that objective and align purpose and aspirations with focus and activity, they create the foundation for a high performance organization.

The Challenge

Mission and strategy statements may define an organization’s direction and aspirations, but the reality of the economic and competitive environments can easily shift a company’s focus from lofty aspirations to short-term survival. People

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and organizations have a choice—either they continue to learn and evolve as circumstances around them shift, or they fall victim to changing environmental pressures. Great leaders reflect a sense of focus and purpose that not only adds meaning to work but also helps make organizations more dynamic, decisive and adept at responding to change.

High performing organizations stay vital by resisting decay. As they mature, their leaders successfully manage the tension between adaptation – perfecting and improving existing products, services and processes, and innovation - doing things differently, offering unique products, changing the rules. These leaders realize that the healthiest organizational cultures maintain a balance between these two perspectives. They constantly strive to get better, yet they remain open to new ideas and new ways of thinking.

They do this by ensuring that the organization retains a sense of purpose and meaning along with a relentless drive for performance.

The Context

Scan typical corporate mission statements and you will note that most companies aspire to be some combination of innovative, customer driven, market leading, employee focused, performance oriented, and of course, profitable. Although admirable, most leaders would agree that living up to those traits consistently over time is incredibly demanding and extremely difficult. That is not to challenge corporate aspirations, but simply to make an obvious observation: declaring aspirations is much easier than actually achieving them.

My research, coupled with my years of experience as a consultant, has convinced me that the key to resolving this perplexing challenge is rooted in the ability of leaders to reconcile the rhetoric of corporate aspirations with the reality of the corporate operating environments. Organizations need aspirations, and as Jim Collins reminded us in his book *Built To Last*, people seek the exuberance of being part of an organization with Big Hairy Audacious Goals. But if the organization’s declared purpose and aspirations are out of synch with its operating environment, if people within the organization experience a culture that is very different from its stated purpose and aspirations, the organization is headed for disaster.

Consider an example. Imagine you worked for a Bank (it could be any type of business). The bank recently created a new strategy and mission statement extolling its position as a market leader, its focus on innovation and customer service, and its support for employees. The Bank further commissioned a new advertising campaign which emphasized those very characteristics, complete with TV and radio ads, billboards, print ads, etc.
Imagine that as an employee, however, you experienced each day a very different operating environment within the Bank. The bank seldom launched new products or services unless in response to competitor initiatives. The operating norm for employees was to follow the rules and not challenge the status quo. Customer complaints were ignored. And unless you were in a senior leadership position, you were treated as if you had been hired as a set of hands.

Given that situation, how likely is it that the Bank will achieve its aspirations of market leadership, etc? Moreover, might the mismatch between the rhetoric of the Bank’s strategy and the reality of its operating environment contribute to cynicism and discontent among employees? And if you and your fellow employees became cynical, would you likely be exuberant supporters of the Bank? And could that mismatch of rhetoric and reality, coupled with the employee and eventual customer cynicism it inspires, be a sign of the eventual demise of the Bank? Often times, it is.

All of that leads to a reiteration of the main premise of this paper: a key factor in the ability of an organization to execute on its strategy and achieve its aspirations is the capacity of leaders to ensure that an organization’s rhetoric matches its reality, that the organization actually is what it says it aspires to be.

I doubt that many leaders would take issue with that premise. Yet, it almost seems inevitable that an organization eventually will lose the capacity to maintain alignment between rhetoric and reality and eventually fall victim to time. Fortune Magazine reported that fewer than 20 percent of the original Fortune 500 companies were still in existence in their original form in 2004 when they published the issue celebrating the 50th anniversary of the venerated list (Vol. 149, No. 7, April 5, 2004). In reality, organizational life spans tend to be relatively short.

The Cause

To consider the nature of the potentially dire fate for organizations, think of the organizational lifecycle—the stages companies go through as they evolve over time. They begin at the start up phase when an often “crazy” idea becomes the germ for an organization. The small band of believers in the idea put their heart and soul into bringing the organization and its aspirations to life. If the crazy idea catches on, the company experiences growth—the business develops, demand begins to exceed capacity, and the new company begins to expand. Growth invites competitors and imitators. Eventually maturity sets in and growth slows down. Unless the organization takes action to revitalize—to revisit and revitalize its purpose and aspirations, it begins to decline. Absent dramatic action, a crisis hits, decay sets in, and the company is on its way out.

Before you panic, it is possible for companies to manage this cycle. Just look at 3M, Johnson & Johnson, Proctor & Gamble, and countless other companies that
have stayed relevant and effective for decades. But it’s rare that a company will survive unscathed once it moves into decline and decay. Under CEO Lou Gerstner, IBM revived itself with a massive restructuring and an expanded business focus. But for every successful turnaround like IBM’s there are examples like Digital Equipment Corporation, Westinghouse, and many other formerly great organizations that have fallen victim to time.

My research suggests that what actually gets an organization into trouble early on is not incompetence or ineffectiveness, but rather the organization’s past record of success. Over time, the very elements of a business model that enable that organization to grow and become successful can become the seeds of the organization’s self-destruction. As they face competitive and performance pressures due to a changing external environment, rather than evolving their business model while retaining their aspirations and sense of purpose, they shift into a “performance at all cost mode.”

In this mode, the organization is driven by the mantras of maintaining market share, maintaining margins, maintaining profitability. Metrics and reward systems drive short-term thinking. Leaders emphasize short-term performance. Employees are shaped to consider only bottom line impact. The purpose of the organization becomes that of perpetuating current operating processes and objectives with a goal of meeting short-term financial objectives.

Imagine now that environmental pressures subside, performance targets have been met, and the organization is ready once again to move into the marketplace and grow. Yet, employees have been shaped to view the purpose of the organization as short term performance. Metrics and reward systems reinforce a short-term, bottom-line mentality. Leaders have been trained to think only about expense control and performance at all cost.

So, a new strategy statement is released. The organization is going to grow by being innovative, a market leader, customer-focused, employee-oriented. The new direction sends conflicting messages, to be sure. What’s an employee to do? The safest (and maybe smartest) thing to do is to hunker down and make your numbers while you figure out what all this new rhetoric really means. And if the focus and behavior of senior leaders stays the same, if metrics stay the same, if performance criteria remain as they’ve always been, then there is no compelling reason for any employee at any level to change their behavior.

I suspect we’ve all experienced this phenomenon, both on a personal and an organizational level. Regardless of the strategy statement or CEO speeches, the way an organization’s leaders actually behave coupled with the things they ultimately measure and reward, combine to shape employee thinking and behavior across the organization. In effect, they shape what I call “organizational DNA.”.
Just as human DNA contains the complete set of instructions for making a person, organizational DNA contains the complete set of instructions for how and why organizational members think the way they do, and how their thinking impacts motivation and performance.

Respondents to an ongoing study of organizational DNA, involving leaders from a wide variety of major corporations, government agencies and not-for-profit organizations around the world, helps shed light on how organizational DNA is related to the challenge of maintaining alignment between an organization’s rhetoric and the reality of its operating environment.

The Research

Through careful research and discussions with thousands of leaders and managers worldwide, the critical dimensions of organizational DNA have been broken down into the set of measurable components depicted in The Direction and Alignment (DNA)® Model [Figure 1]. The model is based on a visual metaphor, the DNA double helix. The double helix is comprised of a backbone—the two intertwining strands that frame genetic character. These strands are connected by a four letter code comprising the instructions for a person’s genetic profile. Each letter of the code is comprised of essential chemical elements. Those elements combine into sets of base pair within which one’s genetic code resides.

Figure 1: The Direction and Alignment (DNA)® Model

In the Direction and Alignment (DNA) Model®, the backbone of organizational DNA is comprised of two intertwining strands— an organization’s roots or its
history and operating capabilities, and its wings or its ability to change and innovate. Those two strands are connected by a three letter code, SLC, *Strategy, Leadership* and *Culture*. Each letter of an organization’s genetic code is comprised of three essential elements. Strategy is comprised of perspectives toward *innovation*, *talent* and *infrastructure*. Leadership is comprised of perspectives toward *hindsight*, *insight* and *foresight*. Culture is comprised of perspectives towards *aspiration*, *accountability* and *initiative*. As indicated in Figure 1, each of these nine essential elements can be defined by a set of “base pairs” or essential viewpoints held by leaders that guide their interpretation of organizational strategy, leadership, and culture.

**The Assessment**

The DNA Model, as described above, has been operationalized in a survey instrument entitled the Strategy, Culture, Leadership Questionnaire (SLCQ)®. Survey respondents indicate their perceptions of their organization with regard to each set of base pairs. The data generated by the SLCQ® profile the way members think about strategy, leadership, and culture, and the potential impact those perceptions have on member behavior, organizational performance, and strategy execution.

The SLCQ® has been used by a variety of major organizations and in a number of settings over the past six years, resulting in a database of nearly 12,000 respondents. Those respondents represent all levels of organizations, though the vast majority are in middle through senior level leadership positions. An analysis of the database paints a compelling picture of the challenge faced by leaders as they attempt to align their organizations with a desired future state.

**The Profile**

Despite the fact that the economic environment has had its ups and downs over the period that data have been collected, an analysis of the overall database generated a “typical” or average profile of an organization that has remained consistent over time despite economic fluctuations and changing business conditions.

In terms of Strategy, respondents indicate that their organizations are follower/perfecters slow to develop new ideas or approaches to business, staffed by take-charge people complimented by technical experts, who were trying to work together but felt like they were operating in silos.

In terms of Culture, they indicate that their organizations are prospecting for and reacting to opportunities, in order to generate improvements, for the purpose of extracting as much return as possible from their current asset base.
In terms of Leadership, they indicate a passion for their organization, feel challenged by their jobs, and although a majority feel energized by their work situation, over 30 percent indicate a perception that the organization's reward system is not tied to performance and that there is little certainty about pathways for advancement in the organization.

It is worth repeating that this overall profile emerged early and has remained consistent over the years that we have collected data. Individual organizations can vary dramatically from the norm, but the norm itself has remained consistent. Respondents indicate that the “typical” organization is exactly as described above.

The Challenge

I believe the typical profile reflects our previous discussion of organizational lifecycles. The vast majority of respondents to the survey were from large, established companies. As those companies have grown and become successful, their culture, as defined by focus, metrics and rewards has evolved from the creation of new products, services and business models, to a focus on maintaining share, maintaining margins, and driving profits. The typical organization is profiled as having limited openness to new ideas and making limited effort to divine new opportunities for growth and development.

If that's the case, how likely is it that a new strategy statement, even one rolled out with town meetings, speeches and training programs, is really going to make an impact on the way respondents think and behave on their job? It’s a safe bet that respondents will keep working as they always have until leaders not only generate the rhetoric of a change in focus and emphasis, but also take steps to align that rhetoric with the reality of the operating environment by changing metrics, adjusting rewards, modeling new behaviors and demonstrating that the organization actually means what it is saying.

The Response

I believe that the true legacy of leadership is directly related to the ability of leaders to align the rhetoric of the organization to its operating environment. Leaders who are able to maintain that alignment are in a better position to prevent track records of growth and success from becoming blinders to an organization’s continual need to adapt and evolve to a changing environment.

Take the example of Allied Waste Industries, until recently the nation’s second largest solid waste disposal company. Allied grew through acquisitions which left them highly leveraged with a driving focus on short-term performance in order to
deal with the challenge of paying down debt and generating profits for shareholders.

When John Zillmer became CEO of Allied in 2005, he saw more opportunity and potential for the company. With Sustainability emerging as a core social value and business challenge, solid waste companies had an opportunity to create far more value than just hauling away trash, they could become experts and advisors in helping their customers deal with sustainability challenges related to waste generation and disposal.

Zillmer, President and COO Don Slager, CFO Pete Hathaway, and HR EVP Ed Evans made a decision as Allied’s top leadership team to move the organization forward. They did create a vision statement, but did so with the help of key leaders throughout the company. They did build a strategy, not by hiring consultants to do the analysis and make recommendations, but by involving dozens of leaders from throughout the company in the analysis and decision making process. They did establish training programs for leaders and employees at all levels of the company, but they did not just delegate the training to HR and outside resources, they actively participated in the training as sponsors, mentors and teachers. They changed business metrics to drive not just financial performance but also customer focus and organizational development. They adjusted employee competency models, compensation and assessment processes at all levels to support the new Allied. In short, they took pains to ensure that the rhetoric of the company increasingly matched the reality of the operating environment.

At the beginning of this effort, we did a DNA assessment. Allied’s profile looked much like that of the typical company. As the process unfolded and we conducted subsequent analyses, Allied’s profile began to evolve. Respondents perceived that the company was looking for opportunities to grow, that employees were more engaged and networked, that emphases on customer focus and top line growth were gaining in parity with profitability and performance, that the company was committed to employee development and success.

During the three plus years prior to their recent merger with Republic Services, Allied made significant progress in revenue growth, profitability, employee recruitment and retention, and customer service. The more employees sensed a match between the rhetoric of the organization and the reality of the operating environment, the more overall performance improved.

We’ve seen similar patterns in numerous companies across many industries. When the reality of the organization’s operating environment is aligned with the rhetoric of the company’s strategy, intensity, performance, and morale improves. Respondents seem better able to see where their company is headed, identify opportunities in the marketplace, understand how and why the organization needs to change, and grasp their role in the future of the business. When there is
misalignment, organizational members can turn cynical, frustrated and disengaged. It’s often the difference in an organization’s ability to execute on a strategy and their failure to achieve defined objectives and aspirations.

The Leadership Challenge

Like many key elements of leadership and strategy, it may seem like common sense that to achieve organizational performance and longevity leaders must align the rhetoric of an organization and the reality of its operating environment. Yet, my research and experience suggests that for most organizations, this connection is fleeting at best. That’s why to me, the true legacy of leadership is the ability to maintain that alignment, ensuring that the organization retains a sense of purpose and meaning along with a relentless drive for performance. It’s about giving the organization a set of roots and of wings. It’s about ensuring that an organization not only gets better at what it does in order to be profitable, but also is able to evolve in order to stay relevant in a changing world.

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The Real Legacy of Leadership: Aligning Rhetoric with Reality. In: Goldsmith, M., Baldoni, J., & McArthur, S. (Eds.). The Handbook of Leadership. New York: AMA. [57]. Kaplan, R.S. & Norton, D.P (2004). The strategy map: guide to aligning intangible assets. Strategy & Leadership, 32(5), 10-17. [58]. Parmenter, D. (2010). While leadership has been a topic of interest since the dawn of man, leadership and management studies were taken up in earnest in the early 20th century. This hub chronicles a kind of evolution in leadership behavior studies from the traits of... Eric Coggins has degrees in political science, global management, and global organizational leadership. He teaches international business. While leadership has been a topic of interest since the dawn of man, leadership and management studies were taken up in earnest in the early 20th century. This article chronicles a kind of evolution in leadership behavior studies, from the traits of effective leaders to follower-centered leadership theories proposed in the late 20th and early 21st centuries.

(iv) Participative or Democratic leadership style: Leaders functioning in democratic style believe in open communication within the group and facilitate involvement of the workers in the decision making process. They emphasize on group goals and perform to achieve the common organizational goals. Such democratic participative leaders create an environment where team spirit reigns supreme with mutual support and trust between team members. This kind of leadership is most effective as it succeeds in motivating the subordinates towards achieving high levels of performance. The Behavioral Approach The Rhetoric and Reality of Bargaining Structures Under the Howard Government. December 1998 · Labour & Industry a journal of the social and economic relations of work. Mark Bray. Peter Waring. Bargaining structures have been a central issue in policy debates of recent years. This paper seeks to explore both the ambitions of the Howard Government, through its rhetoric on bargaining structures, and the real impact of the Workplace Relations Act on bargaining structures in Australia. The main conclusion is that the government has been more successful in changing bargaining structures than ..