

THE CHANGE CHALLENGE.....A Newsletter About Leadership

January 1, 2013



Happy New Year and welcome to the January 2013 issue of *The Change Challenge*. Your leadership skills are likely to be tested 2013 by the massive economic changes that lie on the horizon. That is the theme of this month's feature article: "*Are Your Leadership Conversations Effective?*"

The Leading Change article titled "*Two Mindsets, Four Types of Conversation, and Three Perspectives*" encourages leaders to consciously choose the mindset, type, and perspective appropriate to achieve the results they want. The Personal Change article titled "*The New Rules*" asserts that relationships and knowledge are valued more highly today than experience and advanced degrees. For some, that's a jolting introduction to the new rules of a global economy.

Your feedback and recommendations to improve this newsletter are always appreciated via return email or through The Change Blog at www.dickstieglitz.com.

Wishing you a healthy, happy & prosperous 2013,

Dick Stieglitz

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Issue: 54



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This Month's Articles

[Are Your Leadership
Conversations Effective](#)

[Two Mindsets, Four
Conversation Types, and Three
Perspectives](#)

[The New Rules](#)

[Leadership Conversations](#)

[Buying & Selling a Company](#)

Feature Article

ARE YOUR LEADERSHIP CONVERSATIONS EFFECTIVE?

George Bernard Shaw said: *"The single biggest problem in communication is the illusion that it has taken place."* You speak with bosses, peers, direct reports, customers, and other stakeholders every day, but do those conversations create alignment, inspire innovation, mobilize change, and accomplish goals? There are four types of leadership conversations: building relationships, developing others, making decisions, and taking action. Each of the four should increase the power of the others in a virtuous cycle. Building relationships and developing others produce better decisions and more effective actions. Successful actions in turn strengthen relationships and the repeating cycle increases the power of the organization. An executive who is proficient in all four conversations is likely to produce superior results.

Conversations to Build Relationships. Martin's 360-feedback had declined. As second in command at a large office of a services firm, he was fast-tracked to become a partner. Martin wanted that position so he engaged an executive coach. Early in the first session, the coach asked Martin, *"What is your job?"* He responded by citing the services that his staff delivered to clients. The coach prodded: *"What else?"* Martin described the regulatory filings his staff prepared and the issues they resolved. The coach said nothing and Martin blurted out, *"Do you mean mentoring those ungrateful children who leave after we teach them everything?"* Then Martin whispered, *"Did I just say what I think I said?"* Yes, he had. He was focused on project results rather than on building relationships and developing people. That mindset did not align with his current position, let alone with the promotion that he wanted.

Leaders build relationships that attract and motivate followers. How well do you know the abilities and preferences of the people around you? How closely do their goals align with your organization's goals? How regularly do you provide useful feedback to them? Or receive helpful feedback from them? People and your relationships with them count. If that understanding isn't in your DNA, reconsider your role as a leader.

Leadership Conversations to Develop Others. Earthquakes and tsunamis that disrupt supply chains, renegade employees who do insane things, and volcanic eruptions that interrupt travel plans confirm the importance of developing others. When you develop people, you prepare them for unexpected events and industry-wide and organization-specific changes. When you hold regular conversations about opportunities, issues, and progress, your people will grow rapidly - and so will you. Developing others produces people who are more capable of helping you to build productive relationships, make better decisions, and take more effective actions.

Once you become a leader, you accept responsibility for developing people - to have conversations that encourage them to consider new possibilities and stretch their effort. If you focus solely on today's tasks and this quarter's goals, you will limit your long-term success and possibly jeopardize the future of the organization. Furthermore, the lack of developmental conversations and stretch assignments could push your high potentials to seek growth elsewhere, leaving you with people who do only what you tell them. To win the battle for talent, you must provide the environment and the resources for people to satisfy their goals and expand the organization's capability.

Available in
February 2013

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Whether you are newly-promoted into your first management role, a veteran of the C-suite or somewhere between, your most powerful tool as a leader is the ability to hold effective conversations. Rich with real-world examples and useful techniques, *Leadership Conversations* is essential reading for high-achieving managers looking to make it to the next level and leaders striving to develop their people.

**Buying or selling a
business can be a
lucrative but risky
transaction**

IF YOU OWN TO BUY OR SELL A BUSINESS, THERE IS
MUCH YOU SHOULD KNOW ABOUT THE
FINANCIAL AND LEGAL ASPECTS OF THE TRANSACTION

EXPENSIVE MISTAKES

WHEN BUYING & SELLING
COMPANIES

...AND HOW TO AVOID THEM IN YOUR DEAL



Richard G. Stieglitz, PhD
Stuart H. Serkin, J.D., LL.M., CPA

Leadership Conversations to Make Decisions. The IT division of a company held a off-site workshop to set milestones for rolling out new web capabilities. When Helmut, the division head, received status reports and feedback from his managers, he paled. He thought everyone agreed with his design for the system, but instead found that the management team had detached from his decisions - and from him. With the project in danger of failing, Helmut offered to resign but the other division heads said he was still the best person to lead the project. Responding to the blunt feedback from his managers, Helmut reengaged his team to review earlier design decisions, listened to their ideas, and modified the direction of the project. With their decision-making process back on track, the team successfully completed the roll-out on schedule later in the year.

What would your organization's future look like if you made decisions by throwing darts at a dartboard or reading a deck of tarot cards? What roadblocks would you run into if you failed to consider relationships in your decisions? How effective can your decisions be if they don't engage the knowledge and experience of the people who work with you? Conversations to make decisions are the knife that whittles a universe of possibilities into success.

Leadership Conversations to Take Action. Government executives from four agencies held a planning workshop to determine how they could work together more effectively. They moved decisively through the process of evaluating performance gaps and identifying areas to improve. They selected nine new initiatives and prioritized them based on cost, risk, and return on investment. But when it came to allocating staff and funding, the process came to a screeching halt. The agencies didn't have resources available to begin even the highest-priority initiative. The facilitator asked the executives, "What will you stop doing in order to begin the new initiatives?" They couldn't agree on ways to free-up resources, so they delayed action by adding the initiatives to the following year's budget request. Predictably, Congress not only didn't approve the increases, they cut the previous year's budget so the innovations were never implemented.

In today's always-connected world, you rarely need more information, - you need more action. Don't wait for the perfect time to start, respond now to the changes around you. Take one small action and follow it with another - avoid analysis-paralysis. Don't let an opportunity evaporate while you search for the ideal solution because one usually doesn't exist. What appears to be ideal today could be less than ideal if you wait too long to implement it. Furthermore, curtailing old actions is as important as starting new ones, yet it is often more difficult.

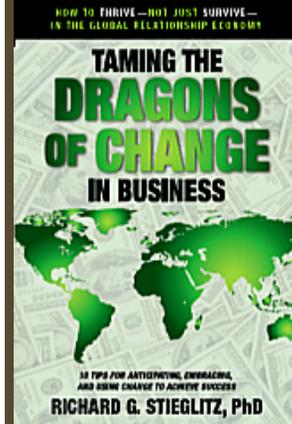
Enhance Your Conversations. These four types of conversations are familiar because you participate in them every day, and hear them happening at levels above and below you. You may feel proficient in some conversations and uncomfortable with others. Evaluate your aptitude in each of the four as the basis for improving your communications, teamwork, and results. We understand that you are busy, but taking time to improve your conversations will reveal possibilities that you otherwise may not see. Use three criteria to measure the effectiveness of your next leadership conversation: (1) Is everyone making decisions based on the same information and goals, (2) Have cultural and other differences that block productivity been eliminated, and (3) Is everyone working in unison toward the agreed-upon objectives according to the agreed-upon

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schedule?

Leading Change

TWO MINDSETS, FOUR CONVERSATION TYPES AND THREE PERSPECTIVES

At any given moment, a conversation involves: (1) either a management (getting things done) or leadership (the right things to do) mindset, (2) one of the four conversation types, and (3) one of three perspectives (individual viewpoints, understanding others, and what-else-is-possible). That means there are 24 distinct yet equally important conversations you could have. Consciously choose the mindset, type, and perspective appropriate for the situation, and shift to other combinations to move the conversation toward its conclusion. Similarly, recognize when other people shift to another combination - that shift reveals their thinking about the matter at hand.

Conversations in the leadership mindset explore possibilities, encourage bidirectional feedback, and cause everyone to learn, including yourself. Those in the management mindset process information, evaluate alternatives, complete tasks, and meet deadlines. Executives who operate exclusively with a management mindset limit their potential conversations (and possible outcomes) by up to 50 percent. Likewise, command-and-control executives often ignore the third perspective, and thereby narrow their conversations to an exchange of personal opinions. Furthermore, those who don't develop their people reduce the value of conversations by one-fourth. If an executive did all three, he would engage in only six of the possible 24 conversations used by great leaders.

Whenever possible, prepare for a leadership conversation in advance and be clear about your goals for its outcome. Map out the conversation in terms of the 24 combinations of mindset, perspective, and type - where do you intend to start and finish? Find out what others want from the conversation too - their desired outcome may be different from what you assume it to be. At the end of each conversation, validate a common understanding of the results and schedule a follow-up conversation if necessary. A conversation is successful if, after you and others process the outcomes, everyone has made their points clearly, had their questions answered, and is aligned regarding the strategy and their role in the action.

Personal Change

THE NEW RULES

A seasoned executive with over 20 years of experience lamented that he had lost his job and couldn't find a new one even after several interviews. He had consistently achieved his goals and possessed impeccable academic credentials. He assumed that his resume would give him an inside track to a lucrative position. What he missed was that credentials are the price of entry - not a guarantee of success. He was interviewing because his former company had been acquired and he found himself competing for his old position against qualified people who could do his job at a lower salary. He had not invested in building the relationships and acquiring the cutting-edge knowledge required to justify a top-of-the-range salary. The rules had changed, but he had not.

How are the new rules of today's competitive economy affecting you? Ask yourself three questions:

- Would my boss hire me today if I interviewed for my job?
- Does my team consistently produce extraordinary results?
- Am I leading people toward exceptional success?

If you hesitated in answering Yes to any of these, you may be spending too much time doing everyday tasks and not enough time building relationships and expanding your knowledge. Today, relationships and versatility are valued more highly than seniority, experience, and advanced degrees. For

QUICKLINKS

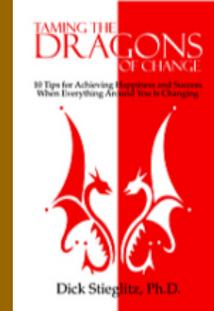
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some, that is great news. For others, it's a jolting introduction to the new rules.

In the Industrial Age, intelligence, education, and determination were enough to succeed. But today's global economy follows new rules. You are more likely to be valued and rewarded for who you know and the results you get others to produce than for any technical skill you possess. If you are not expanding your leadership and management mindsets and holding effective leadership conversations, you risk waking up one day to find that what you are doing is no longer needed, your function is being offshored to India or China, or your team has been replaced by a new technology or a streamlined process.

Friends & Colleagues,

If your organization wants to instill effective leadership conversations in its everyday transactions, contact me to discuss the possibilities. If you found this e-letter to be interesting and useful, please forward it to a friend. If not, let me know why at dick.stieglitz@MyLeadershipConversations.Com.

Until next month,

DICK