Interview

# Bill George: Guiding two decades of the authentic leadership movement

Brian Leavy

It has been twenty years since Bill George produced his best-selling book Authentic Leadership: Rediscovering the Secrets to Creating Lasting Value, which advocated for a radical, know-yourself-first business leadership model. He saw the command-and-control model that then prevailed at the height of the shareholder value movement, leadership that was too often single-mindedly focused on maximizing share-price and driving up the CEOs own financial compensation, as fundamentally flawed.[1]

Over the last two decades he has been researching the basic ingredients of authentic leadership through one of the most extensive empirical studies of leadership ever undertaken. The central finding from his initial interviews with 125 US leaders was that that their passion to lead was deeply rooted in their life stories. Moreover, their effectiveness in inspiring and empowering others had less to do with styles and attributes and more with discovering their own "True North" guiding purpose and leading through values. Since then, he and his team have extended their research to include both international and rising generation leaders and parlayed their findings into a development process aimed at helping current and aspiring leaders to become both more authentic and effective. His latest book, *True North: Leading Authentically in Today's Workplace (Emerging Leader Edition)*, is co-authored with Zach Clayton.[2]

In addition to being Executive Fellow at Harvard Business School, Bill George is a former CEO of Medtronic and has served on the boards of Goldman Sachs, Mayo Clinic, ExxonMobil, Novartis and Target. His earlier book in the series, *True North: Discover Your Authentic Leadership*, has been recognized as one of the 25 Best Leadership Books of All-Time.[3] His co-author Zach Clayton is the founder and CEO of Three Ships, which operates digital marketplace businesses. Their interviewer, Brian Leavy, is Emeritus Professor of Strategy at Dublin City University Business School (brian.leavy@dcu.ie), a *Strategy & Leadership* contributing editor and author of the *S&L* masterclass, "Effective leadership today – character, not just competence."[4]

Strategy & Leadership: What are the defining qualities of "authentic leadership" and why do you see them as even more relevant today than when you first introduced the concept twenty years ago?
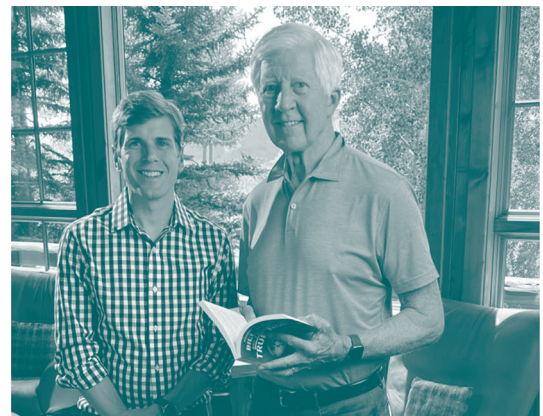
Zach Clayton and Bill George, authors of *True North: Leading Authentically in Todays Workplace*

Bill George: Authentic leaders know who they are and are true to themselves and their beliefs. Their leadership is characterized by truth-telling, transparency and trust; and authentic leaders engender trust and develop genuine connections, which enables them to motivate people to achieve high levels of performance. Rather than letting the expectations of others guide them, they are their own person and go their own way.

When I introduced the concept in 2003, it was still the era of command-and-control leadership, with its emphasis on style, power and charisma. What the leadership competency models of the time were missing was the importance of character. In the twenty years since, nearly all organizations have shifted to developing authentic leaders who align people around the organization's purpose and values and empower them to lead at all levels by focusing on serving all stakeholders to achieve sustainable results. This is the type of leadership that most appeals to today's emerging leaders. Their role models include such inspirational figures as General Motors' Mary Barra, Microsoft's Satya Nadella, PepsiCo's Indra Nooyi, Best Buy's Hubert Joly, Nike's John Donahoe, Xerox's Ursula Burns, and Levi Strauss's Chip Bergh.

Discovering your True North

S&L: Your authentic leadership development model revolves around three main processes – self-discovery, self-development, and leading people. What does your process of self-discovery involve?

George: It starts with examining your life story and processing the most difficult episodes of your life, which we refer to as your crucibles. This is essential to understand who you are at your core, and to gain self-awareness. I see this as an essential step before people can lead others effectively because I believe the hardest person you will ever have to lead is yourself.

Starbucks founder Howard Schultz became a great leader by understanding the very difficult background he came from and his troubled relationship with his father. It shaped his own personal sense of mission, which became to build a company that his father would have been proud to work in. Schultz based his mission on providing a coffee-house experience aimed at fostering human connection in an increasingly atomized world. As he has said: "The reservoir of all my life experiences shaped me as a person and as a leader," and today we know Starbucks as the quintessential employee-oriented company focused on its customers.[5]

S&L: Why do so many leaders with seemingly great potential find this process of self-discovery so difficult to adopt, and what are the biggest risks for them in failing to embrace this leadership discipline?

George: Historically, many people have avoided examining their crucibles and grounding themselves in their life stories because they may be impatient with introspection, fear potential psychological discomfort or get caught up in chasing the external trappings of success rather than pursuing their deeper intrinsic motivations. However, such failure to

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seek greater self-knowledge and a more sustaining sense of personal purpose often results in eventual derailment.

We identify five archetypes whose flawed approach to their leadership makes them likely to become derailed. Imposters have acquired power through political skill and cunning, but lack the self-insight and confidence to know what to do with it. Rationalizers become masters in denial, always blaming others for failure. Glory Seekers define themselves too strongly by external acclaim, but feel spiritually hollow and envious of those who have more. Loners avoid forming close relationships, and reject honest feedback. Shooting stars are obsessed with rapid advancement but are prone to impulsive, self-serving decision-making when faced with inevitable setbacks. We are witnessing such pathologies today in people like Mark Zuckerberg, Travis Kalanick, Elizabeth Holmes, and Sam Bankman-Fried.

Developing yourself

S&L: Why do you see self-awareness as "the foundation of authenticity" and how best can you continue to deepen it in practice?

George: The self-awareness that you develop in the process of self-discovery is the most essential determinant of your effectiveness as a leader. It is the *sine qua non* of knowing your values, discerning your passions, staying balanced and discovering your own personal sense of purpose and mission. If you don't know yourself, you cannot be an effective leader of others, as your ego needs are likely to hold them back from reaching their full potential. With self-awareness, it is much easier not only to understand yourself and your reaction to others, but gain self-control and self-compassion, all principal ingredients of emotional intelligence. These qualities enable you to understand better what others are experiencing and how they in turn are responding to you. You enhance this self-awareness as you seek honest feedback from others and you refine it by adopting practices that help you remain mindful and aware, even amid life's chaos.

S&L: Why is "living your values" so essential to leading authentically?

George: Living your values is putting your True North into practice in your daily actions, and being clear about your values is essential to sustaining your leadership and not being pulled off course. When you clearly understand your values, your leadership principles become much clearer, because they are your values translated into action. Leadership is most challenging when you may have a great deal to lose by staying true to your values, and this requires moral courage. For example, you may put your career at risk at any level by refusing to do things of questionable integrity even where that might have significant short-term financial consequences for your business.

A superb example is Mary Barra's actions shortly after she became CEO of General Motors and had to confront the ignition switch crisis that led to the deaths of 124 people. She not only acknowledged the problem immediately in her Congressional testimony, but by

ordering the recall of 30 million vehicles she used it to create "a burning platform" to accelerate raising safety standards at GM.

S&L: What other major self-development practices does your leadership model encourage, and how might aspiring leaders try to follow them?

George: One is the value of identifying your Sweet Spot. This is where your strengths and intrinsic motivations intersect, and where you feel most inspired, energized and confident that you can do great things and can infuse others with your passion and vision. A position that fulfills your extrinsic motivations for external rewards may bring you short-term success and satisfaction in your leadership journey, but only positions that fulfill your intrinsic motivations will sustain you over the longer run.

Secondly, the most frequent question today's aspiring leaders ask is, "Can I have a great career and a great family life?" Nobody achieves a perfect balance between all aspects of life, but authentic leaders try to establish clear ground rules to help integrate the different parts of their lives, stay grounded, relieve stress and think clearly about personal and professional issues, and they don't leave such important considerations to chance. Deliberately pursuing your intrinsic desires for your work life, personal life, family life, friends and community in a more integrated way enables you to become a more rounded and grounded leader of others and helps you to cope more effectively with the inherent loneliness and stresses of top leadership roles.

Leading people

S&L: Why do you see the "*I*-to-*We*" transformation as the biggest development challenge for aspiring leaders?

George: As future leaders, we grow up being measured by our individual contributions. Our grades in school enable us to be admitted to colleges and universities. Our grades there propel us into our first jobs. In this way we gain self-confidence in our ability to get things done through our own merits and efforts. However, as we move into leadership roles, we must "flip the switch" to recognize that no longer are we masters of our destiny. Our work is now all about the members of our team, how motivated they are and how effective they are in achieving the team's objectives. To be effective in these leadership roles, we must learn to become effective coaches for our teammates.

Former Best Buy CEO Hubert Joly learned this lesson the hard way. In his book, *The Heart of Business,* he explains, "In my early 40s I had reached the top of my first mountain. That mountaintop turned out to be desolate. I tended to look at others as obstacles to success, rather than as valuable partners. The idea of success I had been chasing turned out to be hollow."[6] Joly then studied with a group of monks and transformed his leadership and his career, achieving exceptional success at Best Buy as a great leader and coach for his colleagues (see Figure 8.1: "*I* versus *We* Leaders).

"I believe the hardest person you will ever have to lead is yourself."

Figure 8.1   *I* versus *We* Leaders

I Leaders	We Leaders
Attain power and position	Serve others
Self-interest drives decision-making	Purpose drives decision-making
"I can do it on my own"	"It takes a team with complementary strengths"
Pacesetter: "I'll be out front; follow me"	Empowering: "Work together to fulfill mission"
Ask for compliance with rules	Seek alignment through values
Arrogance	Humility
Directs others	Coaches and mentors others
Focus on near-term results	Focus on serving customers and employees
Fire in their eye: extreme conviction	Inspiring and uplifting
Developing loyal followers	Empowering people to lead
Credits themselves	Credits the team

Source: George, B. and Clayton, Z. (2022), *True North: Leading Authentically in Today's Workplace (Emerging Leader Edition)*, Wiley. All rights reserved.

S&L: Why is it never too late for leaders at any stage in their careers to keep searching for their personal and organizational North Stars?

George: For many of us, we need to have experience in several organizations before we can find our North Star – the purpose of our leadership. To the outside observer, I was very successful at Honeywell in multiple roles, but I was falling prey to chasing the title of Chief Executive Officer of this great global company. Just as that prize was within my grasp in my mid-40s, I realized I was deeply unhappy and not fulfilling a deeper purpose. That is when I pulled back, gave up on my father's goal for me to lead a large corporation, and joined a much smaller company with a passionate mission and values that I could align with fully – Medtronic. Defining your North Star is not as easy as it sounds. It's an ongoing self-discovery process not a one-time-and-it's-done exercise, and you cannot do it in the abstract. It takes a combination of introspection and real-world experience to determine where you want to devote your time and energy in the most meaningful and fulfilling way.

S&L: Why have you become such a strong advocate of the leader-as-coach model?

George: The old model of leaders as bosses who issue orders, delegate authority for getting things done, and then micro measure the performance of their subordinates won't work anymore. People today want to have opportunities to make a difference early in their careers, and to work collaboratively with their teammates. In the leader-as-coach model, leaders first must show they *Care* about their teammates, then they *Organize* them into their Sweet Spots, *Align* them around a common mission and values, *Challenge* them to reach performance goals, and *Help* them with mentoring and feedback to get better at their work. In so doing, they enable every person on their team to reach her or his full potential, and this in turn becomes the key to unlocking the organization's full potential.

Navigating today's challenges

S&L: Why is it important to value inclusivity, not just diversity, in leading today, and how can authentic leaders best go about creating more inclusive organizations?

George: Since the 2020 murder of George Floyd in Minneapolis, most organizations are focusing on diversity and making steady progress in diversifying their organizations and their boards, and this is long overdue. However, making sure that people feel fully included and have a sense of belonging requires much more. Each organization needs to create a shared culture through which people are united around a sense of purpose and shared values that transcends differences in gender, race, religion, sexual identity or national origin. This is what authentic leaders dedicate themselves to bringing about as a top priority.

As CEO of Microsoft, Satya Nadella has brought that sense of inclusivity and belonging by insisting that everyone has empathy for the other person, shifting from "know-it-all" to "learn-it-all" as the central theme of its culture. Anne Mulcahy and Ursula Burns have created this kind of inclusive culture at Xerox by seeking out everyone's opinion and blending everyone around a common cause.

S&L: Leaders sometimes have to project the confidence to rally their people in a time of crisis, while not being fully transparent about their own true fears, and doubts. How can young leaders deal with such a challenge without risking authenticity?

George: The only way to prepare to lead in a major crisis is to lead an organization through lesser crises. There is no playbook, so leaders must use their instincts, their intuition, their judgment and their ability to rally people around resolution of the crisis. For young leaders it is especially hard to express confidence to people when they themselves have doubts. The authentic way to handle this is to be honest with people around you about the severity of the problem, develop a vision of success when the crisis will be resolved and then work with people to create solutions, assured that in the end the team will be successful in getting through the crisis.

S&L: Finally, why is it so important for today's corporate leaders to be much more willing than their predecessors to speak out on some of the most pressing public issues of our time?

George: In recent years business leaders have become the most trusted leaders in our society, according to the Edelman Trust Barometer, in sharp contrast to the low regard in which they were held a decade ago. That is because they are now seen to be taking significant actions to address major problems in our society, such as climate change, diversity and inclusion, income inequality and health care access, while creating well-paying jobs. As a result, the public is looking to business leaders to take positions on important public issues and create plans to address them.

For example, as CEO of Merck, Ken Frazier took a strong public stand about fundamental American values following the Charlottesville chaos in 2017. More recently he has created an organization advocating for hiring one million Black men in ten years, and in this he is actively supported by other high profile former CEOs of leading US corporations including Ken Chenault of American Express, Charles Philips of Infor, Kevin Sharer of Amgen and Ginni Rometty of IBM. In the years of shareholder primacy, most corporate leaders had shied away from engaging with such issues, treating them as unwelcome distractions from their primary aim of maximizing shareholder wealth and driving up their own financial compensation.

Notes

1. George, B. (2003), *Authentic Leadership: Rediscovering the Secrets to Creating Lasting Value*, San Francisco CA: Jossey-Bass.

2. George, B. and Clayton, Z. (2022), *True North: Leading Authentically in Today's Workplace (Emerging Leader Edition)*, Hoboken NJ: Wiley.

3. George, B. (2007), *True North: Discover Your Authentic Leadership*, San Francisco CA: Jossey-Bass (with Peter Sims).

4. Leavy, B. (2016), "Effective leadership today – character not just competence," *Strategy & Leadership,* Volume 44, Number 1, 20-29.

5. Quoted in George, B. and Clayton, Z. (2022) already cited.

6. Joly, H. (2021), *The Heart of Business: Leadership Principles for the Next Era of Capitalism*, Boston: Harvard Business Review Press (with Caroline Lambert).

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