

ZEITGUIDE

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MANAGEMENT GURU PETER DRUCKER ONCE SAID THAT before leading others, “managers must learn to manage themselves.” This chapter of the Builders + Innovators Zeitguide is about just that: **Investing in yourself to become the leader your business needs in order to grow.**

From our current research and conversations with experts, it’s clear that a meaningful shift is underway in business leadership, and it’s a bit more complex than the checklist articles so popular in today’s business press (think “[The Most Successful Leaders Do 15 Things Automatically, Every Day](#)” or “[10 Things Really Effective Leaders Do](#)”). Rather, a new philosophy of leadership is emerging that comprises three broad tenets:

1. Listen more.
2. Learn more.
3. Live right.

In the coming pages, we’ll delve into the evidence that **listen-learning-living** helps build up capacity to manage others and manage yourself, one of the key themes of the Builders + Innovators Summit. This is also a great primer for Gen. Stanley McChrystal’s talk, “[Listen, Learn ... then Lead,](#)” taking place the final day of the Summit.



**What is the one word you think of when
you think of yourself as a leader?**

Passionate

Inspiring / Dynamic / Creative / Charismatic

Aggressive / Bold / Conviction / Dedicated / Demanding / Down-to-Earth /

Driven / Dynamic / Fair / Fearless / Grounded / Honest / Humble / Learning /

Optimistic / Persistent / Storyteller / Strategic / Vision



1. Listen More

The New Essence of Successful Leaders

What's the difference between great CEOs and their senior executives? (This is not a joke.)

Psychometrics experts from talent consulting/executive search firm Korn/Ferry explain to us that top executives are just as ambitious, confident, intelligent, and adaptable as their CEO bosses. But data from psychometric assessments consistently reveal that great CEOs score higher on **consideration**, **empathy**, and **social attunement**. (Also **energy level**, **focus**, and **stress tolerance**. More on that later under the heading of “Live right.”)

They listen. They “get” people. They can read a room. They know how to be liked as well as respected.

This new emphasis on likable leaders is a 180-degree turn from the autocratic “command-and-control” style that dominated corporate America into the 1980s, as Leigh Buchanan explains in her June cover story for Inc., “[Between Venus and Mars: 7 Traits of True Leaders.](#)” It's also a big step beyond the empower-and-track model that followed in the 1990s and early 2000s.

According to Buchanan, “increasingly, the chief executive role is taking its place among the caring professions. It takes a tender person to lead a tough company.” In a knowledge-based economy, the best leaders are nurturers who listen more.

The Warm and Fuzzy CEO

As one of you asked in our pre-event survey, “Can you be a strong leader who is a hard-ass but also be seen as Mr. Nice Guy?” Good question. Harvard Business Review (and, well, Machiavelli) puts it this way in the article “[Connect, Then Lead](#)”: **Is it better to be loved or feared?** Or, in the lingo of today’s organizational psychologists, is it better to project *warmth* or *strength*?

According to the article, to lead a business, you need both qualities. But you need to be seen as a warm person first. At the risk of sounding Yoda-esque: Warmth leads to trust. Trust leads to cooperation. Cooperation leads to quality, efficiency, and profitability.

Warmth is a composite of interpersonal skills — active listening, authenticity, empathy, and connectivity. Getting those qualities right is crucial because employees who trust you and connect to your vision will go to great lengths to make it happen.

Conversely, if you put strength first — something many of us do when we emphasize our own smarts, credentials, command, and competency at work — you risk inspiring fear rather than trust. And we all know what [Yoda said about fear](#): It leads to anger, and anger leads to hate.

You *really* don't want to be hated. One [study HBR cites](#) found a staggering correlation between high likability and the perceived effectiveness of 51,836 leaders. The flipside? The chances that a manager who is strongly disliked will be considered a good leader are only about one in 2,000.

If you don't think you exude warmth, you can train yourself. That same HBR article teaches you body language and vocal techniques. Or just read more literature.

A surprising [study just published in Science](#) found reading literary fiction (as opposed to popular fiction or serious nonfiction) by Chekhov, Alice Munro (who just won the Nobel Prize in Literature), Louise Erdrich, and others caused a spike in scores on psychology tests that measure empathy, social perception, and emotional intelligence. [The theory is that such books trigger our brains to make connections related to emotional nuance and complexity.](#)

Listen to Athena

John Gerzema's recent best-selling book "[The Athena Doctrine](#)" explores gender constructs as a way to define leadership. Based on results from a survey of 64,000 people in 13 countries, he concludes that traits considered "feminine" — **selflessness, empathy, collaboration, flexibility, and patience** — are also regarded as most important to leadership.

He suggests that we are moving away from "traditionally masculine" leadership styles — those that emphasize being

decisive, aggressive, or analytical — because technology, globalization, and the financial crisis have contributed to a world today that is “social, interdependent, and transparent.” And in this world, **the old my-way-or-the-highway attitude doesn’t fly.**

[Buchanan’s Inc. article mentioned above](#) brings the point home through entrepreneurs, who increasingly are trying to build an economic ecosystem in which they can thrive together. “Some business leaders see competition as a sprint and some as a marathon. But for virtually all, it has become a three-legged race that is impossible to win alone,” Buchanan writes. “Companies co-create with customers and vendors; they enlist their entire supply chains — sometimes even competitors — in risk management.”

Business has become less dog-eat-dog and more dog park.

Listen for How to Help Others

Other research shows that leaders who focus on how work benefits others — the core of empathy and selflessness — get much better results.

At the Wharton School, [Adam Grant teaches MBAs \(as well as consulting clients like Google\)](#) about the amazing power of “prosocial motivation.” It boils down to this: **Employees are inspired when their work connects to some greater good.** For example, in one of Grant’s studies, a scholarship recipient explained to university fundraising call center workers how

much he had benefited from their efforts. In a month, **revenue was up 171 percent.**

Conversely, ignoring the needs of others as you pursue personal achievement can be detrimental, according to [Scientific American's September article "Self-Esteem Can Be an Ego Trap."](#) This piece discusses two models for self-esteem: One based on individual accomplishment and one based on compassion for others. According to the psychologist authors, those with a "me-me-me" attitude can be emotionally crippled by even minor setbacks because they take them so personally. **But those who base their self-worth on their efforts to help others (compassion) not only take setbacks more in stride, they are more motivated overall.**

So ask not what your workforce can do for you, but what you can do for your workforce. And then explain to your workforce what it can do for the world.

Listen With the Power to Say No

Just because you listen doesn't mean you always have to say "yes." Saying "no" is hard to do (and something many of you struggle with according to our survey), especially for leaders who want to be seen as likable by employees, partners, and everyone else in the world. There's an element of FOMO (Fear of Missing Out) that drives these leaders to say "Yes" to too many commitments and, thus, spread themselves too thin,

often at a detriment to their organizations. If you have this concern, here's some sound advice: **Always listen. But then listen to your gut. And then decide if it's a "Hell Yes!"** We love the [little book](#) with that same title by Elizabeth Cogswell Baskin; it advises to do things only if you want to do them 100 percent. We also recommend reading ["How to Say No Without Feeling Guilty and Say Yes to More Time, More Joy, and What Matters Most to You"](#) by Patti Breitman and Connie Hatch.



2. Learn More

The Secret Weapon of Great Leaders

So how do you become this warm, compassionate, considerate business leader? By learning. And learning. And then learning some more.

Learning isn't something that ends with an MBA (or an IPO). In the pre-Summit survey, several of you told us the best advice you ever got was that "we can learn from everyone." "Learn now, train later." And finally, "Never stop learning."

Learning leaders stay open to the world of ideas, and value the insights of others to build successful professional cultures.

Self-Awareness: Your Leadership Steroid

Start with learning about yourself. **Self-awareness is a mental steroid: It boosts the growth of all your leadership and decision-making muscles.**

Most people could use a bigger dose of self-awareness. A 2012 Korn/Ferry International study found that 79 percent of professionals have at least one blind spot about their skills. Further, the most common blind spots are doozies for leaders: Making tough calls about people (hiring, promoting, and firing), and getting work done through others (delegating and leading without micromanaging). These shortcomings plague 17 and 13 percent of corporate executives, respectively.

A shortage of self-awareness presents unique hazards to entrepreneurs. One study of 23,000 entrepreneurs in France found that **low self-awareness led to overconfidence**. Overconfident entrepreneurs tend to raise money through informal or short-term methods, and they don't pivot or adapt to prevent loss. You have to know your strengths and weaknesses to progress.

Young entrepreneurs who are catapulted to the top of the org chart start at a self-awareness disadvantage: They simply didn't get the years of workplace feedback on their style of leadership. Suddenly, they're the bosses — and **it's tremendously difficult to get honest feedback when you're the CEO**. People just tell you what they think you want to hear.

There are, however, some proactive things that business experts suggest can boost self-awareness.

Ask Around

Even if they are filtering their responses, ask your top team members for feedback. But also seek out neutral insight from your “personal board of directors,” which might include other CEOs, mentors, business consultants, coaches, or other people

you trust to give it to you straight. The Summit could be a good place to do that.

Assess Yourself

Personality tests sound very Seventeen magazine, but [psychometric analysis](#) has swept HR and executive recruiting for a reason: It helps point out traits and skills that aren't always obvious. Among the best known are the [Myers-Briggs Type Indicator](#) and [Gallup's StrengthsFinder](#). You might also look at the assessments from [Herrmann International](#), which delve into your hard-wired thinking style (are you more emotional, analytical, structural, or strategic?), or from the [Enneagram Institute](#), which slot you into one of nine fundamental personality types. For the entrepreneur, such insights can be particularly valuable as you figure out whether you should become a CEO or just continue to "lay down the cultural foundations" as the experts at Pine Street, the senior leadership academy at Goldman Sachs, tell us.

Go Within

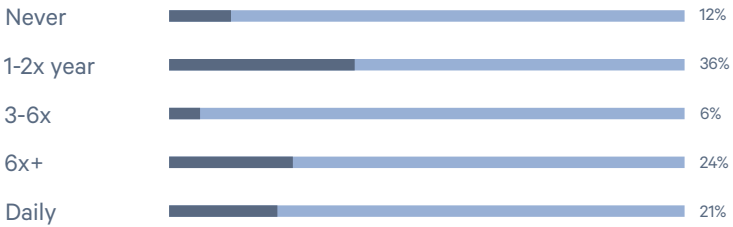
What exactly is [mindfulness](#), this concept being touted by everyone from [members of Congress](#) to [MBA program professors](#)? Jeremy Hunter, who teaches mindfulness to MBA students at the Drucker School, explains: "It's the ability to recognize what is happening in your mind as it is happening." That recognition gives you control over how you react or decide to act. This ability is cultivated primarily through a meditation-style practice in which you observe your thoughts and feelings as an outsider, without judgment. (More on meditation later.) And it produces a raft of well-proven benefits, including lowered stress, clarity of thought, and more sustained focus. [A](#)

new study from INSEAD found that just 15 minutes of mindfulness practice helped people make more profitable decisions.

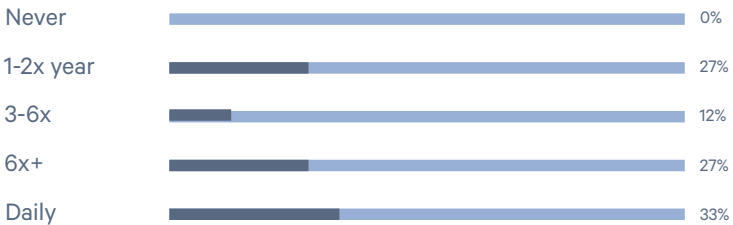
Think of self-awareness as the human version of the “Build-Measure-Learn” cycle at the core of the [Lean Startup methodology](#). Just like startups, leaders need to consciously diagnose what’s working and what’s not if they’re going to succeed.



How often do you ask for feedback on yourself?



How often do you give feedback to your team?



Curiosity Has No Cure

In leadership coaching circles, there's a well-known model called **70-20-10**. It holds that 70 percent of what you need to be a successful leader you learn from on-the-job challenges, 20 percent is from relationships with people like your boss or mentor, and 10 percent from classes or training.

We'd add that for those creating new companies — in some cases, whole new business models — there has to be a slice in that pie chart for learning that just feeds general curiosity. A big slice.

“The beginner’s mind” — a Buddhist concept — is something leadership consultant to [The Conrad Foundation](#), Jonathan Alter, tells us he tries to instill in clients. **“If you approach situations as an expert, you’re closing yourself off to the ability to innovate, to create new opportunities, and make interconnections that enable real creativity and discovery,”** he says. Alter also directs us to the book [“Zen Mind, Beginner’s Mind”](#) by Shunryu Suzuki for more on this concept. Its take-away: **“In the beginner’s mind, there are many possibilities; in the expert’s there are few.”**

The paradox is that **startups, which naturally have a “beginner’s mind” culture, lose it as they get more successful.** Their beginner’s mind is replaced by sclerotic, “if-it-ain’t broke” thinking. But to adapt and stay competitive, companies need to push against the status quo, even when it’s working. “A CEO must be able to stand on the balcony and look around. If you are only focusing on getting the next product out, you may miss a lot of signals,” the team at Pine Street explains to us.

Creating a Learning Culture

Dan Tobin, author of “[Learn Your Way to Success](#),” explains how the style of thinking with a beginners mind can be instilled in your organization:

Marc comes to his boss for help with a problem. The boss can fix it herself. The boss can tell Marc how to fix it. Or [the boss can ask Marc](#), “What do you think?” This last answer encourages Marc, sure, but — equally important — it creates a possibility for the boss to learn something too.

The best companies thrive because their entire corporate culture is, in fact, a learning culture. “[Googler to Googler](#)” is a whole series of classes — including management, mindfulness, and kickboxing — that are initiated, designed, and taught by volunteer Google employee experts. (That’s mastery, autonomy, and purpose in one fell swoop.) [72andSunny](#), [Ad Age’s 2013 advertising agency of the year](#), hosts a program called [72U](#) that is designed to cultivate “the next generation of brave and generous leaders for the creative industry.”

Learning events can also be short and focused — we’ve learned that many of you conduct [hackathons](#) and crowd-challenges — commonly used for science and technology problems.

Learning to Retain Talent

For its [research series Talent 2020](#), Deloitte Consulting polled more than 500 people and found that those looking to change

jobs aren't seeking only bigger paychecks. They're looking because they sense little opportunity for career progress (37 percent) or a lack of challenge (27 percent). Forty-two percent of job hunters didn't believe their current employer made good use of their skills and abilities.

There are two ways to look at this. One is as a retention risk. **Companies really start to feel the pain of higher turnover about when they hit the 100-employee mark**, the experts at Pine Street say. Top talent may jump to more established companies to find new challenges and a better framework for advancement.

But there's an opportunity here: **Highly skilled employees are naturally driven to seek out new learning challenges.** Tap into that and you have an engaged, motivated, and self-improving workforce.

That's the underlying idea of Daniel Pink's best-selling book about motivation, "[Drive](#)." In his parlance, **mastery** (let me get good at this), **autonomy** (let me figure out how to get this done), and **purpose** (let me do this in service to something larger than myself) are the three intrinsic human motivators. (In his [2009 TED Talk](#), he explains the reverse: How carrot-and-stick rewards like bonuses produce worse results, especially at cognitive work.)

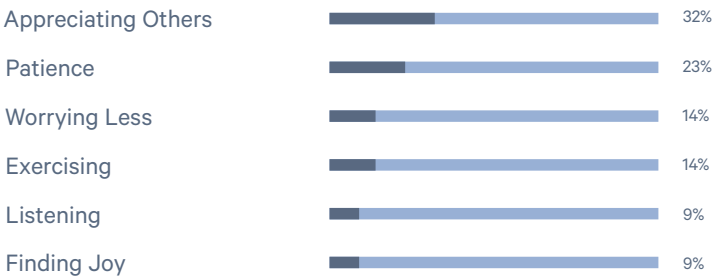
In other words: Pingpong tables and catered lunches may attract job applicants, but they won't retain talent. Keep employees **climbing the learning curve**, and they will stick around and give you their best.



If you had the opportunity and time to get better at anything as a business leader, what would it be?



If you had the opportunity and time to get better at anything as a person, what would it be?





3. Live right

Sources of energy, resilience, and focus

The daily grind can leave an entrepreneur feeling like a pot of Colombian coffee: strong and smooth on some days, but totally burnt on plenty of others. There's little time or energy left for introspective, self-care moments. But well-being is not an indulgence. It's an investment in a company's most important asset: the focus, energy, and mental health of its leader.

The Psychological Price

Building your own business takes a bigger mental toll than even high-stress salaried jobs, writes Jessica Bruder in her September article in Inc., "[The Psychological Price of Entrepreneurship](#)." The pressure is enormous: **Three out of four new ventures fail**, and even those that don't still usually miss their revenue projections.

Painting in admittedly broad strokes here, psychologists say **entrepreneurs tend toward the obsessive, and are mildly manic** — which is reflected in their passion, focus, and drive. But that passion can have a dark side too, which manifests as anxiety, depression, bullying, and even rage. Steve Jobs, CEO

of one of the most universally admired companies according to our pre-Summit survey, [was known to be harsh on employees, and often broke into tears in the office.](#)

One stressor particular to entrepreneurs is called “impression management” — a fancy term for “fake it till you make it.” Trying to secure venture capital, entice new customers, and attract new hires unavoidably demands a *lot* of impression management.

The Inc. article likens impression management to a **picture of a man riding a lion**: “People look at him and think, ‘This guy’s really got it together! He’s brave!’ And the man riding the lion is thinking, ‘How the hell did I get on a lion, and how do I keep from getting eaten?’ “

Stress Reduction is Serious for Business

Too many of us wear our stress and poor self-care like badges of honor, as if they’re indicators of our dedication and sacrifice. But it’s actually quite the opposite.

Robert M. Sapolsky, famed neuroscientist and author of [“Why Zebras Don’t Get Ulcers,”](#) is one of the world’s experts on the damage done by chronic stress. It’s not pretty. From [his recent article for Greater Good](#), here’s a sampling of how chronic stress wrecks your brain:

- “Stress kills neurons in the part of the brain called the hippocampus and weakens the cables between neurons, so they can’t talk to each other. **This impairs the formation** and retrieval of long-term memory.”
- The neurotransmitter **dopamine** gets depleted, taking “away your ability to feel pleasure,” which can lead to major depression.
- Neurons in your frontal cortex atrophy through chronic stress. The result? “You make the most **idiotic decisions**, which are going to haunt you for the rest of your life, and yet you think they’re brilliant at the time.”

Manage your stress, if not for your physical health, then for the health of your business.

So how do you conquer stress? Science suggests that you can attack it on five fronts: meditation, exercise, diet, sleep, and social engagement.

Tame the Brain

People started meditating 5,000 years ago and still do so today for a reason. The trappings vary —mindfulness practice, Zen meditation, guided meditation, or Transcendental Meditation — but they’re all good. Alan Watts’ “[Still the Mind](#)” tells you why:

“A person who thinks all the time has nothing to think about except thoughts. So he loses touch with reality, and lives in a world of illusions.”

Transcendental Meditation, or TM for short, which Josh

Dean explored in his GQ article “[The Totally Stressed-Out Man’s Guide to Meditation](#),” uses a simple repeated mantra to quiet the conscious mind. If you’re not ready to commit to the 40-minute daily TM regiment, start by trying a work-brain detox by listening to a [meditation podcast](#).

Exercise

The best exercise? Whatever you’ll do regularly. How you work out is less important than why you should: It builds muscles *and* neurons. Among the [findings the August issue of Scientific American](#) reports is a human trial that found measurable growth in the hippocampus (the memory-storage part of the brain) of exercisers. The medical journal PLOS | One also just published a [study that found that physically fit kids are faster learners](#) than their less-fit peers. If staying motivated is hard, we advise busy leaders to hire a personal trainer. When you’re successful, it’s a no-brainer to pay someone to keep you in good shape. At the same time, find ways to move more as you do more, [like the walking meeting](#).

And yoga is great too. [One of the studies we read about showed that holding a “power pose”](#) — one that is big, open, and takes up a lot of space — for even just two minutes, can enable us to lower our cortisol (the hormone associated with stress) and increase our testosterone (the hormone associated with assertiveness and reduced fear). Imagine standing like Superman or Wonder Woman, tall with your hands on your hips and feet spread apart. For those who take yoga classes (and we just learned that there’s more than 20.4 million practitioners in the U.S., [according to Yoga Journal](#)), this may sound a lot like Virabhadrasana, aka Warrior 2. [A similar study concluded](#)

that the best leaders, regardless of gender, had relatively high testosterone and relatively low cortisol compared with the norm. Our takeaway: Either leaders have a natural ability to regulate their stress, or they are spending more time practicing their “power pose.”

Diet

As you know, there are as many diet philosophies — slow carbs, gluten free, paleo, intermittent fasting — as there are bookshelves to hold them. But what we’re fascinated by these days is [how diet affects mental well-being](#). Complex carbs, like whole-grain breakfast cereals, breads, and pastas, prompt the brain to make more of the feel-good chemical serotonin. Foods rich in vitamin C, like oranges, help us rebalance cortisol after stressful tasks. Leafy vegetables, like spinach, are a great source of magnesium — too little of which can trigger headaches and fatigue.

We’re also especially intrigued by a recent [study examining the effects of probiotic-rich yogurt](#): Functional MRIs show that eating yogurt full of these bacteria change the activity in the parts of our brain that process emotion and sensation.

Sleep

Like our laptops, our brains need to reboot, which is what we do during deep sleep. In a great Scientific American piece titled “[New Hypothesis Explains Why We Sleep](#)” Giulio Tononi and Chiara Cirelli of the University of Wisconsin explain how this works and why it’s so vital for high-functioning people.

During sleep, our brains “prune” some of the connections between synapses. Sounds like a loss, but in fact **this sleep-time**

process restores the brain circuitry to a baseline level of efficiency and strength to keep it from getting sluggish.

Entrepreneurs may laugh at the very notion of eight or more hours of shut-eye. (In our survey, **nearly 40 percent** of respondents said they get **less than six hours** of sleep nightly.) But maybe you don't have to get it all at once. Scientists and historians are discovering that **bimodal sleep might be our natural behavior**. Roger Ekirch, a professor of history at Virginia Tech, [found historical and literary evidence](#) that two shorter periods of sleep was common in the preindustrial era. In between was a 1-to-2-hour period when people would visit with neighbors, chat with bedfellows, or have sex. We switched to one sleeping period only when streetlights, indoor lamps, and coffeehouses made nighttime the prime time for socializing that it is today. We didn't evolve; we decided to party instead. [And current sleep studies](#) see these same patterns reappear when artificial light is taken out of the equation. Rather than panic when you wake at 3 a.m., think of it as an anthropological throwback.

Social Connection

Humans are social creatures. We're emotionally restored by conversation and social interaction with others. Even if you love-love-love your job and talk to colleagues all day, it may not be fulfilling the underlying need to not just be around other humans, but to feel a sense of belonging, to be among "your tribe." And as the person running the show, you're the boss. You may not really "belong."

Neglecting one's social life has physical consequences. John Cacioppo, a neuroscientist at the University of Chicago and

co-author of “[Loneliness: Human Nature and the Need for Social Connection](#),” says lonely adults have worse diets, exercise less, sleep more poorly, and have more stress symptoms. And even though we might think we’re more connected than ever to friends and family, it’s not the same finding out on Twitter that a friend got engaged, or getting a bit of encouragement via a Facebook comment. MIT professor Sherry Turkle bemoans how virtual socialization is damaging real-world socialization in a much talked about New York Times essay, “[The Flight from Conversation](#),” and in her book “[Alone Together](#).”

She observes that social media have “accustomed [us] to a new way of being ‘alone together’ and that ‘connecting in sips’ doesn’t work as well when it comes to understanding and knowing one another.”

But in conversation, we “tend to one another,” “attend to tone and nuance,” and are “called upon to see things from another’s point of view.”

That’s the very reason for Goldman Sachs’ Builders + Innovators Summit. To provide you with a safe place to be together in person. To have meaningful conversation. And to be open, honest, and vulnerable with people who have gone through or are currently going through some of the same experiences as you.

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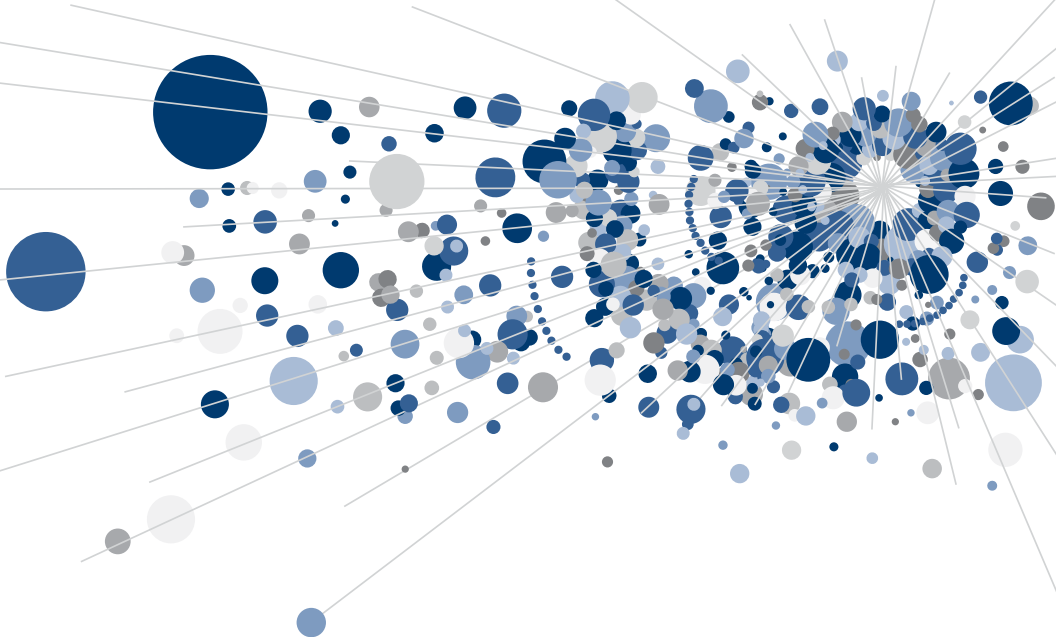
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