

# LEADERSHIP Excellence

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## First Things First

*When managers and leaders fail to attend to daily prime matters, time turns thief. Gone, with the constant tick-tock of the clock are the golden options, closed are winning windows of opportunity.*



<p><b>WARREN BENNIS</b>  <i>Leaders as Directors</i>                  Do your people believe that <i>your ears are tired</i>? . . . 3</p>	<p><b>JEREMY GUTSCHE</b>  <i>Culture of Innovation</i>                  This will greatly boost your odds of winning. . . . 8</p>	<p><b>ROGER NIERENBERG</b>  <i>Maestro Leadership</i>                  Conduct with confidence your team's performance . . 12</p>	<p><b>ANTHONY VON MANDL</b>  <i>Man with a Mission</i>                  Leadership starts with a clear vision and involves decades of execution . . . 17</p>
<p><b>PHIL HARKINS</b>  <i>High-Performing Teams</i>                  Leaders of top teams engage in 10 behaviors . . . 4</p>	<p><b>ROBERT E. KNOWLING, JR.</b>  <i>Leading Transformation</i>                  Dramatically change the direction of your organization by leading people with passion. . . . . 9</p>	<p><b>GARY HAMEL</b>  <i>Leaders as Stewards</i>                  Take the self-test to monitor your values . . . . 13</p>	<p><b>PATRICK LENCIONI</b>  <i>Organizational Health</i>                  It's now the last great competitive advantage . . . . 18</p>
<p><b>BRENÉ BROWN</b>  <i>Quest for Perfection</i>                  Yes, perfectionism can be counterproductive. . . . 5</p>	<p><b>BILL STRICKLAND</b>  <i>Vision Inspires</i>                  The first act of leadership is to have a vision of a better, brighter future. . . 10</p>	<p><b>DORIS KEARNS GOODWIN</b>  <i>Emotional Strength</i>                  Lincoln cultivated eight strengths . . . . . 14</p>	<p><b>MAC VAN WIELINGEN</b>  <i>Ethical Leadership</i>                  Embrace core values and cultivate a culture where trust is paramount. . . . . 19</p>
<p><b>MICHAEL ABRASHOFF</b>  <i>Get Your Act Together</i>                  How do you identify and develop leaders? . . . . 6</p>	<p><b>MARSHALL GOLDSMITH AND PAT WHEELER</b>  <i>You're Leading</i>                  But how many people are following you? To find out, perform frequent listening checks . . . . . 11</p>	<p><b>TOM PETERS</b>  <i>Adaptive Organization</i>                  Attend first to the four First Things . . . . . 15</p>	<p><b>DAVE LOGAN, JOHN KING AND HALEE FISCHER-WRIGHT</b>  <i>Tribal Leadership</i>                  Develop your dominant tribal culture in five separate stages. . . . . 20</p>
<p><b>NANDO PARRADO</b>  <i>Keep Hope Alive</i>                  It's all you have on any survival trek. . . . . 7</p>		<p><b>SHEILA HEEN</b>  <i>Bad Apple Behavior</i>                  One can spoil the rest, so <i>start breaking the pattern</i>. . 16</p>	

# Ethical Leadership

*It sustains performance over time.*



by Mac Van Wielingen

ALTHOUGH I SPENT the bulk of my career in the so-called “greed is good” culture of the investment business, it only seemed to strengthen my allegiance to longstanding values such as trust and fairness, and the importance of competence, character and commitment—all qualities of good leadership and all qualities of strong organizational culture.

My experience, combined with the realities of recent high-profile corporate corruption, has been a fertile learning ground. The secret to my success has been a commitment to ongoing knowledge development, a focus on quality of relationships and the development of an open culture where employees feel respected, cared for and valued. Your organization has certain expectations—notably and importantly, that you as a leader will create a sense of predictability and safety, which is the basis of trust. It sounds like *soft stuff*, but this is the *hard stuff* for avoiding failure. If safety and trust are created for people during decision making, the result is often more openness and vulnerability, more creativity, more ease in the sharing of information, more innovation and risk-taking, and inevitably better decisions.

In my personal leadership journey, I have always been committed to *great results*; however, I’ve also always been committed to *great fulfillment*. I’ve never been willing to compromise *personal fulfillment* for the sake of *financial results*. I was prepared to work hard, but I had to enjoy my daily and indeed moment-to-moment experiences. I learned that if I wanted to satisfy *the need for fulfillment*, I had to *enjoy my relationships*; this led me to look seriously at organizational values and ask “what essential values must be actualized within an organization to ensure *enduring success*.”

**I encourage you to embrace certain essential values and cultivate a culture where trust is paramount.** As leaders and future leaders, you have the opportunity to embrace an expanded responsibility of influence, to embrace

performance values (results!) and to embrace the responsibility of creating trust and a positive, fulfilling environment for others. When you embrace a commitment to trust, authenticity, and truth, you can better sustain positive results and gain personal fulfillment. Much research validates this perspective.

## Our Cultural Heritage

As a founder of the *energy investment firm* ARC Financial Corp., and of the oil and gas company ARC Resources Ltd., I see that both firms have achieved incredible results because they share common elements of vision and a common cultural heritage with an emphasis on strength of culture and leadership.

**The responsibilities of a good leader go far beyond growing the bottom line:**



it’s about leading ethically, respectfully and with integrity—and fostering an environment that attracts exceptional employees and doing what it takes to retain the best. But there is more to this. Yes, you want to attract great people, but leaders need to ask themselves if they are creating the conditions where each of us can truly be our best, and where we can contribute from the areas of our natural gifts and capabilities.

If a leader can build a *culture of purpose and integrity* into the organization, it’s magic. Results take care of themselves.

**I take seriously my leadership role as a model and mentor.** As leaders, we can pass on what we learn to the next generation. Leaders need to inspire trust by demonstrating true care for others, not just through words, but through actions. And not just in the workplace but in our communities and society.

This is why we recently donated a *multi-million dollar gift* to launch the *Canadian Center for Advanced Leadership in*

*Business at the University of Calgary’s Haskayne School of Business.* We need to help young people understand leadership, so that they can take on leadership responsibility more effectively, competently, and ethically. The center will embed leadership skills and ethical business standards into the curriculum, research, and culture, impacting every aspect of the student experience.

**We’re on a mission to help rebuild public trust in leadership.** Leadership is a passion of mine and a core competence of our companies. In response to the 2008-09 collapse, I was appalled by the unwillingness or the inability of many business leaders to look at some of the root causes of corporate failure. The 2008 financial crisis was a cathartic moment for me. Few business leaders seemed as troubled by the events as I was. Seeing the ethical void at the core of the crisis, I embarked on an initiative to establish a center of advanced business leadership. We asked, *What are business educators doing to develop leadership capacities and skills to reduce the risk that future students will go out into organizations and just do more of the same?*

In light of the examples of leaders at Citibank, AIG, Lehman Brothers, BP, and others, the level of trust in society toward business was at an all time low. The breakdown of public trust and the resulting cynicism has led to some social unrest. I have great sympathy for the public sentiments of anger that have surfaced, (sometimes awkwardly), including in the Occupy movement—and with the disdain around executive compensation. Once when having dinner with a senior executive of a major Wall Street firm that had to be bailed out, I asked *what happened?* He said, “I’ll tell you—we lost our way; we lost our core guiding principles and values.”

I asked if he would say that publicly and he said, “absolutely not.” When asked *why not*, he said “his fellow executives wouldn’t do it.” I noted that the public knows it anyway. How can we move forward without acknowledging realities that everybody already knows are true? I then felt that as a leader *I had to get more involved and take action to create positive change.*

**Can leadership competence really be taught?** My strong sense is *Yes*. Over the past 10 years, much empirical research supports the view that *a strong culture is linked to organizational success over time*. Ethical cultures are inherently stronger: there is greater trust and less risk of wrongdoing. Relationships in *high trust organizations* are of a different nature than those in *low trust ones*: in

the latter, there is fear and dissonance, with lower employee engagement, creativity and effectiveness.

My own industry—energy—is often seen as unethical, due in part to perceptions relating to the oil sands and pipeline controversies. Hence, the level of trust in leaders in this sector is low. Once trust starts breaking down, leaders have trouble presenting their views or information. They are not received as objective or credible. Everything becomes more difficult and expensive.

With the Northern Gateway and Keystone XL pipelines—all the fundamentals are in place to build them, in terms of market demand, reserves, capital, technology, regulatory support and government interest. What is lacking is public trust. Had industry leaders been more focused and sensitive years ago, we likely wouldn't be in the compromised position we are in now. And it takes a long time to rebuild trust.

We learned from the BP oil spill that *environmental catastrophe is possible if we don't manage ourselves properly, lead our businesses properly, and develop the right kind of culture*. I believe the heart of the BP disaster was *a failure of culture*. This is why we encourage the development of young leaders who will take on senior responsibilities and bring more comprehensive insight and depth, with an enhanced sense of social responsibility and, frankly, higher integrity.

*Many people I worked with had a profound influence on me*—especially in how they made *thoughtful and strategic decisions*. And my parents have been inspiring—they both had challenging life experiences, and developed great determination. My father, Gus, grew up in Amsterdam and faced *dire circumstances* through WW II, and my mother Betsy grew up in Indonesia, then a Dutch colony, and spent four years of her life in a concentration camp. Those are experiences you would wish on no one.

*Developing future leaders is a basic part of leadership*. To build sustainable organizations and serve the long-term interests of the company, leaders must be very deliberate and thoughtful about *leadership and organizational development*, and their own succession, and develop the sensitivity and discernment as to where their own interests start and stop, in the context of an absolute commitment to the wellness and strength of the company and to *all its stakeholders*.LE

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**ACTION: Practice ethical leadership.**

**Leadership Excellence**