

## **Know Thyself: It's good for Business**

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Lack of self-knowledge may well be the greatest counterforce to sustainable business success. Ambition, training, experience, business skills, vision, can all be undermined by behaviors linked to mental models held by leaders, workers, and customers. For many these models can remain outside of conscious awareness for a lifetime. Even genuine strengths by themselves are insufficient to overcome the loss of productive energy and genuine commitment that false self-perceptions create.

Self-knowledge is the best business strategy at all levels of an organization, but it is particularly critical for top leadership. The greatest leverage for change in organizations resides in top leadership, specifically chief executive officers, presidents, board members and owners. Because of the real or perceived power concentrated in these positions, top level leaders have a significant and disproportionate influence on creating and maintaining culture and affecting business outcomes. The leader who knows and accepts themselves as they truly are enjoys one of the most effective tools available in the business world. This leader has greater access to their internal resources (talents, skills, and abilities) and enjoys a level of personal power that cannot be taken away or copied by others. Combined with business knowledge, skills and institutional power she or he is in a position to replace envy with admiration, compliance with commitment and followership with leadership throughout their organization.

If influential leaders are not dedicated to reality (to include self-knowledge) at all cost, then the exercise of their power is likely to generate resistance throughout the organization and create greater unpredictability (i.e. noise) than is desired. These leaders are likely to think about reality as something external to them. For example, they focus exhaustively on the business domains that they know well and operate *as if* these exhaust what is knowable and important. Typically these areas include understanding and mastering the business, developing mutually *beneficial* relationships that serve business ends, insuring business indices are accurately tracked, refining hiring practices, creating competitive advantage, and often keeping close track of their career path on a personal level. But, how effectively each is executed is based on top leadership's self-knowledge and its consequences throughout the company. This is the point of maximum leverage for converting potential energy into kinetic energy throughout the workforce, and is usually the last to be addressed (if at all) in strengthening a company's capacity to create its own future.

Much of our work is designed to reduce the gap between organizational potential and functioning by advising CEOs, directors, and senior business leaders on people and culture issues. Self-knowledge is objectified and broadened by engaging top leaders in confidential conversations to enhance their understanding of complex psychological and cultural factors influencing business

performance and morale. The structure of the relationships allows for the exploration of issues that cannot be readily addressed in internal or external business environments. Although the importance of these concepts to business is increasingly recognized, sophisticated application of this knowledge base to leadership personal mastery has lagged far behind. [CEOeffectiveness.com](http://CEOeffectiveness.com) was developed to introduce a broader segment of business leaders to concepts that are rapidly becoming indispensable to high performance organizations in the knowledge-based business community of the 21<sup>st</sup> Century.

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