

## **Elevating the Purpose of Business**

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- 1. An organization that is optimally aligned confers benefits to customers, employees (including leadership) and the company itself.**
- 2. Getting to optimal alignment is difficult at best and requires knowledge creation in all three groups above.**
- 3. If I could only influence one of the three components, it would be the CEO and top level leadership because this is where optimal leverage lies.**
- 4. The most important change that can occur in top leadership is to increase and objectify their self-knowledge.**
- 5. Although they are subject to the same laws as everyone else, it is often difficult to get top level leaders to look at themselves objectively. Their talents, position and external focus allows them to exercise control over their environment(s) and postpone or avoid entirely learning how their mind works.**
- 6. The best strategic planning, gap-analysis, and quality strategies can be easily undermined by top leadership lack of self-knowledge.**
- 7. Self-knowledge is virtually impossible by introspection alone. This is because our thoughts, feelings and actions are influenced by both conscious and unconscious processes, and the influence of the latter greatly outweighs that of the former.**
- 8. The level of self-knowledge possessed by a person cannot be ascertained exclusively, by the person themselves. By definition, learning how one's mind works requires an interpersonal context.**
- 9. The greatest limiting factor affecting the alignment of customer, company and employee is CEO and leadership self-knowledge. The most profound measure of alignment is reduction of the gap between the "potential" of a company and its level of current functioning. The reduction of this gap for the company is based on the reduction of this same gap for each individual in the company; especially top leadership.**

- 10. The goal is to create a company where each person is a full participant in the creation of the vision and in determining how their skill set can best contribute to the vision, mission, and goals, and to have a say in influencing the context in which their skill set is put to optimal use.**
- 11. Too much of what is often interpreted as commitment is actually compliance in disguise. The ability to discern the difference is based on self-knowledge.**
- 12. One way of helping CEOs gain a handle on the complexity of variables influencing performance is by using the Yerkes-Dobson Law to illustrate the “paradoxical” relationship between motivation (drive) and performance.**
- 13. Understanding just this one law can bring home the point that even well intended but unenlightened actions can create negative consequences for employees, customers and the company itself.**
- 14. Feeling respected, appreciated and empowered encourages most of us to have greater access to our potential and to want to contribute our best work to the organization.**
- 15. The aligned organization uses energy efficiently, produces high quality and timely work, generates excitement, and even contributes to positive emotional and physical health.**
- 16. Our carrot and stick model of influencing drive and performance is increasingly ineffective because knowledge based products require a level of creativity and innovation that by definition must be freely given.**
- 17. Traditional management techniques may improve outcomes at the expense of full commitment and enrollment, but can never compete with a focus on capturing the vast amount of creative energy that goes to waste and often undermines real business success.**
- 18. The transition from knowledge to wisdom for business leaders is reflected in the recognition that there are systemic forces that work to translate new and innovative ideas into new orthodoxies and supporting bureaucracy, and that these forces are linked to mental models and neurological tendencies. We don’t describe the world we see, we see the world we can describe.**
- 19. To illustrate, the Hegelian Dialectic reflects a pattern where a thesis (an idea or ideology) generates an antithesis (an opposing idea or ideology)**

and is resolved through a synthesis (a new idea). The new idea has elements of the thesis and antithesis but eventually suffers the fate of the original thesis which it itself is destined to become. This pattern represents the fate of all ideas that evolve systems and structures to support them.

20. For example, unfair labor practices (consequence of an idea) lead to the formation of unions (consequence of another idea), that in turn create a new balance of power (synthesis) that becomes the new idea. But the process doesn't stop there. While the original antithesis (new idea) may have had a noble purpose (creating a fairer system) the synthesis is frequently hijacked by new actors who are often less interested in the original purpose of creating a fairer system, and more disposed to creating an imbalance in the other direction. In other words, power becomes the objective and the original purpose is lost in the process.
21. Since this process seems to characterize much of what happens within and between human beings, it may be helpful to look at what it is that supports it and how a wise leader can avoid watching great ideas turn into something bearing little resemblance to its initial promise. (Note that many of the companies listed in the book Good to Great no longer exist.) There are a couple of human characteristics that may help to understand why this pattern tends to repeat itself.
22. There are two brain tendencies that seem to be "hard-wired" in us when pressures rise. One, to interpret ambiguity as danger. Two, to do more of the same, only with greater intensity, frequency and duration.
23. In addition to these "hard-wired" tendencies, early development itself forces all of us to make modifications (compromises) in our perceptions of ourselves and others that over time solidify into "mental models" which remain largely outside of awareness, yet greatly influence our perception and behavior. (Mental Model graphic can be presented and elaborated on in great detail as needed)
24. The combination of "hard wired" tendencies and mental models suggest that when pressures rise in unclear situations (typical of many business situations) that we are likely to assume the worst, respond to this perception in typical ways through the lens of our mental models, only harder, faster, longer and louder. These processes generate *resistance*

which saps energy and joy from work and often operates outside of awareness.

25. These perceptions, interpretations and responses do not generally contribute to excellence because they tend to create a great deal of “noise” that detracts from the focus (“signal”) of work for an organization. When the CEO and leadership of an organization do not appreciate the value of objective self-knowledge (i.e. their mental models remain unexamined and tacit) this typical *signal to noise ratio* is accepted as the best possible under the circumstances. Under these conditions application of the “carrot and stick” philosophy leads to outward compliance while silently creating unseen and often unconscious resistance.
26. The upper limit of what is possible in the workforce (mostly signal) is directly related to the level of self-knowledge obtained by top leadership. Under these conditions, top leadership looks through clearer glass not thick distorted lenses and can begin to see the big picture more realistically. To the extent that they know themselves they can see, understand and even imagine themselves in the shoes of another person.
27. If this is detected by the other person and experienced as genuine, the frequent consequence is to stimulate positive feelings and release creative energy that counteract the influence of “hard wired” brain tendencies and unconscious mental models (i.e. noise). In essence, to become secure, curious, energized, and creative and excited about applying this new found abundance to work.
28. A possible example of a leader who appears to understand the value of CEO self-knowledge is found in Elizabeth Smith, who took over as chief executive officer of OSI Restaurant Partners, LLC (think Outback, Carabbas, etc.) in November, 2009. In a talk at the University of Tampa Fellows Forum in early March, 2010, she talked about four key leadership concepts that she followed. Three of them dealt with consumer focus, transparency, and scenario planning. But the fourth dealt with the importance of self-knowledge, humility and risks. Her willingness to objectify her self-perceptions and business ideas is reflected in dedicating a wall in her office to show co-workers ideas of hers that did not work out great. In her words, “failure is part of the

**job”. In other words, she is not an image but a real person, and inviting co-workers to take risks even if successful outcomes cannot be guaranteed. If genuine, you can see how empowering this can be for her team.**

**29. In contrast, if the leaders are self-satisfied but unaware (recall the emperor’s clothes) the creative potential of the workforce cannot be realized.**