

GROUNDED: How Leaders Stay Rooted in an Uncertain WorldBy Bob Rosen

Imagine the last time you went to a corporate event. You strike up a conversation with a new acquaintance. After the initial back and forth, you ask, "So what do you do?" The answer is usually a job title, maybe a description of their company. But what if you asked, "Who are you?" Most of us rarely ask this question because the answer is so personal. In GROUNDED, we make the case that what's most personal is determinative of leadership capacity, and ultimately, lasting success.

Why This Book Now: A Crisis on the Horizon

The marketplace is changing, workers are changing, the nature of business itself is changing. Some dramatic examples: One in four workers today has been at his or her employer for less than a year. Ten years ago, there was no Facebook. Ten years before that, we didn't have the Web. Now, Google's Executive Chairman Eric Schmidt predicts the entire planet will be online by 2020. Apple offers this head-turning statistic: products less than four years old generate roughly 60 percent of their revenue.

No segment of business is immune from the forces of rapid change and insecurity. In 2011, one out of every six CEOs at the world's largest companies left their jobs.

Many leaders are not adapting well to this brave new world. Some accept outmoded ways of thinking, because if it worked in the past, shouldn't it keep working? Some react by oversimplifying their worldview. Others lose their ability to prioritize. The result is an ever-widening gap between the leaders we have and the kind we need.

We at Healthy Companies have been examining the challenges leaders face for more than twenty-five years—conducting research, advising, and interviewing more than 500 CEOs across 45 countries. In GROUNDED we bring all of our findings together to present a comprehensive and highly personal solution to the leadership crisis.

We delve into leadership qualities often overlooked. Rather than examining only performance and profit metrics, we focus

People are becoming busier; they have less opportunity to take care of themselves. We are in a vicious cycle with our consumption behaviors and its consequences on the environment and our health. The opportunity is: How do you make that vicious cycle into a virtuous cycle?

—Sally Jewell, former CEO of REI, U.S. Secretary of the Interior

on the question "Who are you?" In so doing, we have come not simply to believe but to know with certainty: Effective leadership requires a deep, holistic approach to personal and organizational excellence. The bottom-line is that leadership is personal, and who we are is a function of how we're grounded.

Becoming grounded is how we build organizations that not only stay afloat in stormy weather, but outperform increasingly intense competition.

The roots of being GROUNDED are in physical health, emotional health, intellectual health, social health, vocational health, and spiritual health. Read on for short descriptions of how they underpin the Healthy Leader model.

The Six Roots of Healthy Leadership

PHYSICAL health matters because unhealthy executives produce unhealthy companies, and unhealthy companies have unhealthy employees. Unhealthy workers are costly workers, whether they occupy the corner office or stand on a factory assembly line in Asia.

Think about a typical business leader's workday: You arrive early to get a jump on the 100s of emails waiting. Soon people begin showing up at your office wanting immediate input on an array of issues. Next: back-to-back meetings. Your energy may flag because of jet lag, a bad night's sleep, or having spent the previous night on the phone dealing with an overseas crisis. So you drink a couple cups of coffee, or go for a short walk. Lunch is eaten at your desk. If it's a good day, you leave for home before 7 PM.

Your body can do remarkable things: It can repair itself, as when bones knit together after a break. It can tell you when it is compromised, as happens with infection. It can lift moods through the production of endorphins.

But research tells us that our body—when treated well—can have more stamina than our minds. Optimizing physical health can mean getting your mind on board, too. For a sense of your body-mind awareness, ask:

- When I feel physically fit, does it help me feel content?
- How aware am I of my muscle strength and cardio endurance?
- If I do not feel well, do I take action to find a remedy, or am I likely to work through the illness?
- What are my most vulnerable organs or body systems when under stress (e.g. stomach, nerves, back, head)?

Energy management is a twofold challenge. Whereas body-mind awareness looks largely inward, energy management asks you to consider your physical and mental reserves and use your interactions with your environment to create positive energy. You harness personal energy while simultaneously generating organizational energy.

Everyone needs time for physical renewal, especially hard-charging leaders. Without renewal, you become less resilient over time.

Are your attitudes and habits geared to physical health? Ask yourself:

Do I make sure I have time to exercise regardless of where I am or what is going on?

for me in being CEO is the level of energy that is required 24/7. I just had no idea. —John Schlifske, chairman and CEO, Northwestern Mutual

The biggest surprise

A dancer doesn't go onstage thinking "I'm going to connect my mind, body, and spirit. " It just happens. —Judith Jamison, dancer and choreographer

- Does my schedule include regular breaks for rest and relaxation?
- What gets in my way?
- Do I set a good example for my team and my organization?
- Can I find ways to contend with the stresses of running my organization that are both personally and physically reinvigorating?

EMOTIONAL health is critical because we've all been in meetings with executives who make everything about him. You want to discuss staffing problems, and his contribution is a series of one-liners like "That wasn't me who hired her" and "Send him to my department—I'll show him hard work."

Self-centeredness, bluster, arrogance, ego—these are all signs of emotional immaturity. In people, these traits are annoying. In leaders, they can be disastrous.

Emotionally healthy leaders have a nimbleness that's evident in their reactions, thinking, and behavior. Leaders light on their feet emotionally are not derailed by unpredictability. When things go wrong, they manage their emotions, monitor how colleagues are faring, and try hard to make decisions that benefit the organization in the long-term. And they cultivate this practice, knowing that emotional health is a process, not a "solid state" of being.

The bedrock of emotional health is self-awareness. These questions may help you assess where you are in self-awareness terms:

- Do you talk openly about your emotions? How often?
- Do you have a trusted confidante who offers supportive feedback, both in your personal and work life?
- Are you the kind of person who can't stand sudden changes in routine?
- When you experience a strong emotional reaction to something, do you have a method to help you stop and evaluate alternative responses?

Emotionally healthy leaders strive to stay mentally in the present and don't allow themselves to get sidetracked by what's happened in the past or their worries about the future. They focus on listening and understanding what truly motivates others. This present-centeredness keeps them from going down strategic dead ends.

Being present is also preventive; it stops the emotionally healthy leader from saying anything that will require damage control. It builds trust, because friends and colleagues quickly perceive that the emotionally healthy leader will not speak words that are divisive or needlessly distracting.

Of course, some leaders claim to be self aware, and they may be, but they happen to be jerks. Leaders are by nature confident people who tend to believe strongly in their opinions.

I was very fortunate to have experiences where I was able to understand my own personal psyche. They let me see just how much impact my behavior has on other people. That forces me in many situations to ask: OK, what am I doing? Why is my behavior creating this? So whenever I'm a little frustrated, I say to myself: don't get more frustrated, just change your own behavior. You'll probably be able to influence how others act and treat you. That's helped me turn negative energy into positive thinking. — John Kealey, CEO, iDirect *Technologies*

We recommend a more Socratic approach to personal knowledge:

- Search for explanations inside yourself first
- Interrogate your own origin stories
- Ask yourself: When I go home at night, what thoughts about the day give me the most satisfaction?
- Ask yourself: Are there certain people or situations that I consistently avoid?
- What is my typical reaction when I receive feedback about myself?
- Do I quickly identify counterproductive thoughts or self-talk?
- Do my emotions shed light or cast shadows on people around me?
- How easy do I find it to forgive? To feel compassion? To be hopeful? To express love?
- Do I manage anxiety or just suppress it?

Emotionally healthy leaders are also resilient. Intriguing research by the HeartMath Institute shows that the heart has its own intelligence, and peak performance and resilience are enhanced when heart and brain are in sync. In other words, your heart rate—plus ability to cope with stress—rises and falls not only depending on your physical fitness but your emotional health as well.

As with each of the roots of staying GROUNDED, there are blockers to emotional health. Here are a few:

Attachment to stability. We deny the reality of constant flux, then get hijacked by change that we refused to see coming.

Attachment to the past. We spend more time thinking about what's been done than about the present or possible futures.

Attachment to the future. We strive constantly for more, and become obsessed with what we don't yet possess.

Attachment to control. We minimize our weaknesses, maximize our strengths, and develop the confidence and courage to take charge. Then we become controlling. **Attachment to perfection.** Perfectionism in ourselves is bad enough. When we demand perfection from the people around us, too, we have a real problem.

Emotionally healthy leaders express hope and optimism. They believe in people and give people the benefit of the doubt. Psychologist Michael Scheier, whose 1985 research into optimism broke this field wide open, tells us that optimists perform better than pessimists because optimists try to improve situations instead of shrugging them off.

I want to treat people the way I want to be treated. Being myself enables others to be themselves. —Alan Mulally,

CEO, Ford Motor

Company

For many, routine and discomfort get in the way of communicating joy, hope, and happiness around the office. Showing affection can

leave us feeling vulnerable. But the point of displaying healthy emotions is to be honest about yourself and what matters, and to let coworkers know that humanity is as important as productivity. We are, after all, hard-wired for all of these positive emotions: joy, generosity, forgiveness, compassion and love.

INTELLECTUAL health matters because many leaders are linear thinkers. But today's world is not linear; it's web-like. Interconnected variables are arranged in multifaceted mosaics. You need an adaptive mindset, wherein your thinking is both flexible and systemic. An adaptive mind is also self-transforming. It possesses a clear point of view but is open to the unexpected, able to handle uncertainty and complexity.

In 2010, IBM surveyed 1,541 CEOs, general managers, and public sector leaders around the world, and asked them how they were handling the current competitive environment. In past surveys, leaders pointed to change as their primary challenge. In this survey, complexity took the #1 spot.

One of the reasons leaders have difficulty managing through complexity is that their view of the surroundings is too narrow and too shallow. By expanding your mental range, you can solve more complex problems. You embrace complexity but are never paralyzed by it. I have no special talents. I am only passionately curious. — Albert Einstein

The main ingredient of intellectual health is what we call deep curiosity. Humans are curious by nature but it's the "deep" part that marks effective leadership. This kind of curiosity is intentional, and it hones in on knowns and unknowns as part of an ongoing personal education, one that a leader pursues rigorously and regularly. Deep curiosity fundamentally shapes our answers to the "Who are you?" question.

Inhibitors of intellectual health? Fear kills curiosity by curtailing a willingness to leave one's comfort zone. In organizational settings, fear reigns over curiosity when trying something new jeopardizes a person's standing in the group. Disapproval discourages curiosity, as happens when we hear things like "That's beyond your level" or "We've always done it the other way." Finally, lack of support inhibits curiosity. Bosses can explicitly or tacitly discourage people who try something new, often by planting the suggestion that exploring beyond "how we do things around here," regardless of outcome, will compromise their job security.

Some people are natural intellectual explorers. Others need to develop the habits that lead to an adaptive mindset: checking one's own mental assumptions, digging deep for more data, and reading challenging material. The more unknowns leaders can surface and the more levels they can think on, the more prepared they are.

You need a beginner's mind to create bold innovation.
—Marc Benioff, CEO, Salesforce.com

Here are questions for your journey towards more adaptive thinking:

- Try to remember the last problem you faced: How far did you go to seek out its root causes? To get diverse perspectives? Recognize patterns?
- How often do you research a topic you don't know much about?
- When was the last time you admitted that you didn't have an answer to something? What did you do about your not-knowing?
- When you do not understand a concept a colleague has proposed, do you ask questions until you do? Do you ask in the moment or later?
- What was your last big new idea? How did you promote that idea?

SOCIAL health is important because whether you are calling a customer, running a meeting, presenting to your board, or having a performance discussion, the impact on yourself and others is a deeply personal one.

In fact, we have a radical proposition: Executives who claim, "It's just business, nothing personal" are kidding themselves.

The leadership literature is full of stories of executives who possess great analytical and strategic skills yet fail utterly nonetheless. It's the CEO who berates staffers in public. It's the nonprofit director who favors a chosen few with special perks. It's the manager who never thanks or compliments. What brings them all down is a glaring lack of social health.

The leader who is not fully connected to his team cultivates distrust and discord. The result is a host of ailments, from disengagement and cynicism to lapses in integrity to stagnant earnings.

Social health starts with personal authenticity. For many people this is difficult. A leader who grew up in a blue-collar family and has risen into the ranks of affluence may ignore the part of himself that always feels poor. He may even be unaware he's being insensitive to those he feels "haven't worked hard enough." The executive who grew up in wealth may feel entitled or, conversely, ashamed of his relative privilege.

If you think you can make it up the hill and then realize that people are not following you, you're going to be a pretty lonely guy near the top. So you have to know how people are feeling. You have to monitor what comes out of your mouth. —Todd Stitzer, CEO, Cadburv

Being your real self is reflected in having the courage to expose yourself psychologically. Business leaders who feel comfortable telling personal stories to people they work with are displaying this social health. A socially healthy leader can talk about a time when she made a mistake or embarrassed herself with her thoughtlessness.

If you're unsure of your social health or dis-ease, ask yourself:

- Can you honestly say you're comfortable in your own skin?
- Do you have a "work personality" and another one for family and friends?
- Do you keep your promises, even the small ones, or do you let some commitments slide?
- Do you guard against the "Big Boss Disease," i.e. the tendency to isolate yourself and cut yourself off from potential criticism?
- Do you shoot the messenger when you get bad news?
- Do you share your intentions only on a "need to know" basis?
- Do you give people chances to take the initiative, or do you prefer to keep a tight hand on the reins?
- Do you like showing off your power, influence, money, or status?
- Can you make fun of yourself and admit mistakes so others can see you as a complete person? Or do you strive to appear faultless?

When I started giving away these [employee performance] awards, people said it wouldn't work in China, it wouldn't work in India, for all these different cultural reasons.

That's crazy—people love it everywhere. People love recognition. It's the one thing everybody wants. —David Novak, chairman and CEO, Yum! Brands

Some socially healthy leaders testify that being forced to go public with their most personal selves has made them better at business. They understand that what we stand for as individuals is incredibly important in how we function in groups.

Two more insights from academia: Adam Grant, a professor at the Wharton School of Business, studies relationships at work and has identified two kinds of people: givers and takers. Givers are more likely to share knowledge and help out others. Takers hoard information, seek personal credit for group efforts, and manage by "kissing up and kicking down." He concludes that the single greatest predictor of group performance is the help people give to one another.

Next, after examining thousands of social networks, University of Virginia professor Rob Cross discovered two truths about social health. First, people with larger and more diversified personal networks were promoted earlier and considered better leaders. Second—and most significant—these same people had the ability to energize rather than de-energize the people in their networks. Rather than hog the show, these leaders lifted the performance of everyone they influenced.

We are born to bond into mutually rewarding relationships. When we don't, we suffer physically and psychologically—and we create unhealthy and thus ineffective organizations.

VOCATIONAL health has three elements. Leaders who are grounded in this way have a sense of **meaningful calling**. They're doing work that matters to them deep-down. Second, they enjoy and pursue **personal mastery**. Their daily efforts merge talent and passion, and they demonstrate to others how to become better at what *they're* good at. Third, they possess a strong **drive to succeed**. They know that easy achievements are not half as satisfying as those that demand persistence and hard work.

In this eat-or-be-eaten world, what doesn't kill you makes you stronger.
—Kay Koplovitz,
Founder,
USA Network

What explains those people who have all the money, fancy meals, and travel opportunities they could ever desire, yet keep working? The simple answer is that they're not motivated by material need but by necessities much closer to the heart. Leaders who see their work as a personal calling lead companies that consistently overachieve.

Unfortunately, some of us fell into a Faustian trap by taking a job that offered lots of power or a big salary and wound up doing work we disliked. Or we conformed to what others thought we should do and ignored *who* we really aspired to be.

Stepping back and giving vocational health more attention is critically important. One study of 1000 people by York University School of Human Resource Management found a strong correlation between meaningful work and job satisfaction. Those with meaningful work (meaning they felt it was both self-actualizing and had a positive social impact) experience less burnout.

Becoming CEO is not success. Doing something with the job of CEO and improving others' lives, that's success. —Bob McDonald, former President and CEO, Procter & Gamble

The pursuit of vocational health puts many on a journey of discovery. What they discover has as profound an impact on others as it does on them. Unsure where you fall along this path? See how long it takes you to answer these questions:

- What would you do with a million dollars?
- What is your biggest professional regret, and why?
- If you had a year to live, how, where, and with whom would you spend it?
- What do you like most about yourself?
- When you have a completely free day, what do you most enjoy doing?
- How would you describe your ideal job?

There are no CliffsNotes to personal mastery or vocational health. It's not unusual for people to question their motivation, to wonder if they truly have what it takes to claim the mantle of vocation and not just "have a job." To some, pursuing personal mastery may seem like a self-absorbed process, focused solely on improving one's own skills and performance.

You have to decide what your highest priorities are and have the courage pleasantly, smilingly, nonapologetically—to say "No" to other things. The way you do that is by having a bigger "Yes" burning inside. —Stephen Covey, bestselling author

Finding the right balance between self-improvement and helping others is the secret. For many of us, that takes spiritual health—the last of the six healthy roots that keep us GROUNDED.

SPIRITUAL health can be an amorphous concept. Some say spirituality is a belief in a higher purpose, belief in a personal God, or having a profound sense of inner peace. Others feel that it is having a moral core, or experiencing the fullness of life in a universe larger than ourselves. Spirituality is all these and more. It's about connection at the macro level.

A business devoid of spiritual health promotes parochial and narrow financial interests above humanity and social responsibility. In the process, trust deteriorates, and the environment is neglected or destroyed. The Haves become bullies, and the Have-Nots battle for scraps and leftovers.

Spiritual health is not a panacea for all that ails us. It has its limits, and some people will never understand how vital it is to their enterprises. However, leaders with a clear vision of their connection to all of humanity find that their lives contain more joy—and their companies make meaning as well as more money.

When we lose our sense of greater purpose, we lose everything. —Arkadi Kuhlmann, chairman and president, ING Direct USA

Research into the power of consumer product brands has identified a link between a brand's power to convey a company's higher purpose and that company's financial performance. Brand consultants Millward Brown and Jim Stengel examined 50 brands, including names like Stonyfield Farm, Chipotle, Starbucks, and L'Occitane. What makes these brands especially compelling to consumers is how they evoke spiritual values like:

- Experiencing joy (through feelings of happiness and wonder)
- Helping people relate to one another
- Giving people a sense of warmth and vitality

Challenging the status quo in ways that improve daily life for many people

Brown and Stengel compared the financial performances of companies with strong brands to those of companies without such brand power, and found that values-based brands grew much faster over a ten-year period. They outperformed a larger group of companies by 400 percent.

Employees, especially young people, want more than a paycheck. —Marissa Mayer, CEO. Yahoo!

Businesses who embrace corporate social responsibility (CSR) are aware that commercial success cannot be considered separately from a broader

context of respect for community, people and planet. The concept is best expressed as a formula:

social responsibility = higher purpose +global connectedness + generosity of spirit

For whatever reason, many people have never asked themselves, "What is my purpose here? Am I meant to do more than take care of myself and my family?" A good answer begins with the knowledge that the answer is not a program you throw yourself into and then abandon in a few months, like a New Year's resolution. It is a long and winding road through territory both familiar and quite foreign.

What differentiates leaders grounded in spiritual roots? It can mean holding firm to values in times of doubt and economic uncertainty. They imbue their organizations with a spirit of authentic meaning (and foster a climate that supports vocational health as well).

Use these questions to reflect on whether your professional choices demonstrate spiritual health:

- Are my conduct and ethics consistent with my higher purpose?
- Do I regularly refer to our shared higher purpose?
- Do I tell the truth about today's realities while still inspiring hope for the future?
- Do I maintain a clear view of what our work *means*, above and beyond?
- Do I help people see how much power they have to make the world better?
- Am I grateful?

Gratitude is the lifeblood of spiritual health. In its simplest form, it's saying "Thank you." It begins inside but radiates outward, and benefits accrue. Others respond in kind, and entire communities are uplifted.

This is not new-age-speak but science. We now know that the emotion behind generosity is neurologically wired. Our brains produce the hormone oxytocin when a person acts generously, and increased oxytocin levels make us feel more trusting—which may explain "reciprocal altruism," wherein acts of kindness are met with equal or greater kindnesses.

We hope to achieve a more sustainable form of capitalism: one where business sees itself as part of society, not separate; where the focus is on the long term, not on quarterly earnings; where the needs of citizens and communities carry the same weight as those of shareholders.

—Paul Polman, Chairman and CEO, Unilever

Companies that commit to social responsibility understand that by doing for others, they do for ourselves. They also see immediate payoffs in employee engagement and performance well before the stronger financial results described above.

Scaling GROUNDED: Healthy Leadership in Action

Look around your organization for where you can apply your healthy leadership. With a firm grasp of who you are, enlist others in the guest for higher performance, keeping in mind the six key actions of the Healthy Leader:

- **Tap into a Higher Purpose.** Awaken people's passions and sense of meaning.
- **Forge a Shared Direction.** Paint a compelling future and enlist people's commitment and ownership.
- Foster Productive Relationships. Model and teach authenticity, connectivity and reciprocity.
- Unleash Human Energy. Challenge people's minds and engage their hearts.
- **Seize New Opportunities.** Embrace uncertainty and cultivate optimism, curiosity and learning.

Drive High Performance. Promote a culture of excellence and accountability.

You have the opportunity to become the champion of your own cause.

—Mitch Kosh, senior VP of HR at Polo Ralph Lauren

ABOUT THE AUTHOR

Bob Rosen is on a mission to transform the world of business. one leader at a time. He founded Healthy Companies International over twenty years ago with the goal of helping top executives achieve their leadership potential. With support from a multi-year grant from the MacArthur Foundation, Bob and colleagues began an in-depth study that led him to interviews with more than 500 CEOs in forty-five countries—in organizations as diverse as Ford, Motorola, Johnson & Johnson, Singapore Airlines, Brinks, Northrop Grumman, Toyota, Citigroup, PepsiCo, ING, and PricewaterhouseCoopers.



Bob distilled his most critical findings into the Healthy Leadership Model, the basis for the firm's ongoing work. Clients include Global 2000 corporations, government and nongovernmental organizations. Bob is a frequent media commentator who has been quoted in the New York Times, Wall Street Journal, Fortune, Bloomberg Businessweek, Financial Times, Time, and many more. Books he has authored include The Healthy Company, Leading People, Just Enough Anxiety, Global Literacies, and The Catalyst (coauthor).

Bob graduated from the University of Virginia and has a PhD in clinical psychology from the University of Pittsburgh, and serves as faculty member in the Department of Psychiatry and Behavioral Sciences at George Washington University's School of Medicine. For more, including a self-assessment of your leadership profile, please visit BobRosen.com.

PRAISE FOR GROUNDED

- "I have no hesitation in predicting that Rosen's book will be one of the top, most important books on leadership for the 21st century."
- **—WARREN BENNIS**, Distinguished Professor in Business Administration and University Professor at the University of Southern California; author of *Still Surprised: A Memoir of a Life in Leadership*
- "Grounded argues that we all have the capacity for personal leadership. Bob Rosen provides insights for becoming the more alert, engaged, decisive, resilient, and inclusive leader organizations need."
- **KAY KOPLOVITZ**, founder of USA Network; entrepreneur; author of *Bold Women, Big Ideas*
- "Bob Rosen's timely, well-written book goes to the heart of what it takes to lead in today's complex world. Rosen's message deserves to be widely read and followed to produce better leaders for the 21st century."
- -BILL GEORGE, Harvard Business School professor; bestselling author of True North
- "Today's business climate is the epicenter of some pretty powerful 'winds of change.' Read Rosen's groundbreaking new book, *Grounded*."
- MARSHALL GOLDSMITH, million-selling author or editor of 34 books, including the New York Times bestsellers MOJO and What Got You Here Won't Get You There
- "Great leadership is the most difficult and worthy challenge of our times. Bob Rosen, backed by a wealth of experience working with CEOs, knows that leadership is fundamentally personal—and that the ability to drive change begins inside. I recommend that every leader take his advice."
- -JORGEN VIG KNUDSTORP, CEO, the Lego Group
- "Grounded reminds us how important it is to balance every piece of our lives—personal, spiritual, family, work, exercise, and more—into one life, which becomes our life's work. Thank you, Bob, for helping leaders to be their best!"
- -ALAN MULALLY, president and CEO, Ford Motor Company
- "Bob Rosen's *Grounded* lays out a compelling, personal, and proven path for you to take responsibility for your own learning and development. This is a powerful book, relevant for leaders all around the world."
- —SILAS S. S. YANG, Asia Pacific Chairman and Global Network Leadership Team member, PricewaterhouseCoopers