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LEADERSHIP PLAYBOOK

The Five Critical Mistakes That Halt CEOs Kit

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The Five Critical Mistakes

That Halt High Performance CEOs

At Smart Tribes Institute we are obsessed with the question of how to increase the ability of top leaders at organizations, because companies have been shown to rise and fall on leadership. Period.

The term *leadership* holds no real meaning, inherently. It is a nominalization; it's nothing tangible that we could agree upon as a specific thing. If I held up a glass and I asked you what it is, you would likely say "It is a glass," however, if I put a top executive in a leadership position in front of you and asked what you saw; we would likely describe different things, none of them being a concise definition of leadership. This unique nature of leadership is something that has made it both fascinating and open for endless discussion and interpretation.

Having coached and consulted with more than 900 executives, we at SmartTribes Institute are fascinated with the resulting data. We noticed trends that were further revealed in a recent survey of more than 1,000 CEOs, which revealed *five* particular areas that top leaders tend to focus their attention. These are areas where most unsuccessful CEOs make fatal mistakes.

A fatal mistake rarely seems fatal at the moment. Most CEOs have reported that their most difficult times occurred when there was a choice to be made and no option seemed ideal. Left with choosing between two less than optimal tracks, the choice sometimes left them heading in the wrong direction. As the company slowly drifted off course, it also gained momentum. By the time the CEO realized they were on the wrong path, it was too late to make a quick turnaround.

These are the *most* fatal mistakes, because by the time the CEO, Board or other executives understand what has happened, there is massive momentum heading towards a discouraging future.

In this report, we reveal the *five* most common mistakes that compromise high performance CEOs and suggest decisive actions you can take immediately to ensure your company will not be fatally injured by momentous executive error.

The Research

Robert S. Hartman, a Nobel Prize Nominee, devotes his efforts to helping people maximize their leadership potential, understand their thinking and prioritize team dynamics. Through his study of **The Science of Axiology** (a scientific approach to how people make value judgments in leadership situations), Hartman has developed a valuable assessment tool.

Throughout his research, he noted that high performance leaders selectively place importance on some information, while neglecting other information, thereby giving them criteria for decision-making. After surveying and assessing more than 1,000 top leaders worldwide, he found a pattern of consistent attention and regular ***lack of attention*** to vital areas of leadership.

Wayne Carpenter, a student of Robert S. Hartman, codified Hartman's work to produce the **Thinking Style Report** (a list of the top leadership priorities of world-class leaders). Instead of looking at leadership skill sets alone and asking people "How well do you think you can lead," a typical starting point for academic leadership assessments, Hartman was more curious about how people performed in certain situations and under certain leadership pressures. When leaders go on "leadership autopilot" a routine pattern of attention and inattention sets in. While many forces can cause this "autopilot", it's in these moments – the *critical moments*, *inflection points* and *key decisions* – when the fatal mistakes occur, and this assessment is a first look at important data and criteria you can use to avoid those mistakes.

What follows are *The Five Most Common Mistakes Of High Performance CEOs*, inspired from the research of Robert Hartman, and from decades of SmartTribes Institute consulting, coaching and leadership training on the *critical moments*, *inflection points* and *key decisions* of high performing CEOs.

The Top Five CEO Blindspots

1) Lack of Consistency and Conformity

Although most top executives will profess that consistency and conformity are top priorities for the growth and scaling of their company, in practice many, especially CEOs, often demonstrate and/or embody a different message. Conformity is usually a paradox in growing corporations, where thinking outside the box is heavily encouraged. And consistency could even be a joke – depending on how much rapid growth is occurring at an organization - it is not uncommon for a trend

of “fire fighting” to take hold as the company culture.

In the 1970’s Steven Covey introduced the 2x2 matrix of prioritization, teaching us that we tend to slip quickly from “Urgent and Important” to “Urgent and Not Important,” merely because the human energetic experience of “Urgency” is similar. When companies go through a high or hyper growth period, the experience in the office is similar to the “Urgency” experience and lack of attention on consistency and conformity can often emerge.

To avoid this mistake: Messaging how important systems and procedures are to your team, even in rapid growth, is essential. Systems and procedures maintain brand, product, customer service and other departmental consistency to the customer. Internal attention to having growth spurts be individual stages that get gelled back into the corporate structure will pay huge dividends. Reviewing values and vision on a monthly and quarterly basis will support a culture of consistency as well.

At SmartTribes Institute, our clients are trained in a unique process to design Standard Operating Procedures that drive high accountability and productivity in your team. We also teach how to have highly effective meetings that maintain team cohesion, a consistent leadership experience of executives and managers and consistent “results driven” conversations.

2) Lack of “Strategy Follow Through” Discipline

It is tough to choose a strategic direction, see less then favorable results, and stay the course. The innate human instinct is to jump ship quickly before it sinks.

However, it has been shown that more often than not that the problem is *not* the strategy, but the tactical execution of it. Top leaders often look for the “right” strategy, and although there are likely stratospheres of probability for strategic outcomes, world class CEOs focus on execution and readjustment of a strategic direction before abandoning ship. It is uncommon for execs to choose wildly off-target initiatives and strategies. More often than not the solution is in the discipline to continue the course correction process, particularly through the ability to ask probing questions. *Thus, we solve problems that are actually being presented versus solving problems that are an extrapolation of a probable outcome.*

To avoid this mistake: Consider the best case, worst case and possible unexpected forks in the road ahead of time. Work with your team to create the

expectation of long-term commitment to a strategy – even through tough times. Focus on the execution of a strategy chosen and not on going back to the drawing board.

To help our clients avoid this blind spot, SmartTribes Institute has developed a proprietary “Needle Mover” training and “Motivated Accountability System” to set execution at the highest bar possible. This ensures each strategic initiative is being implemented thoroughly throughout the culture, receiving the highest-level attention possible and allows management to immediately determine any effectiveness leaks in the system.

3) Lack of Vision, Mission and Values

There are very few companies where one could walk into a random office, ask team members to recite the Vision, Mission and Values of the company, and have them actually recall something even similar to the document prominently displayed in the lobby. Yet, this offers the most compelling barometer for all decision-making and emotional engagement of your team. *The number one reason the team is not related to the company Vision, Mission and Values is because the CEO is not connected to it.* As a direct reflection of the culture, the CEO has the most powerful impact on setting and aligning the values and team cohesion throughout the entire company.

When a CEO is disconnected from the core Vision, Mission and Values and is not frequently presenting them in meetings, emails and at events, the entire culture begins to slide. Team cohesion and focus wane, perhaps not all together but surely from the optimum state, resulting in disengagement and dissatisfaction.

To avoid this mistake: Create a daily habit that connects you with the Mission, Vision and Values of the company. As the leading beacon for the company, this is the CEO’s primary driver, and should be consistently present in both physical and psychological form all day long. If you find that your documented Mission, Vision and Values no longer ring true, make it a priority to develop a document that you and your entire company can get behind.

Our highly regarded facilitation of Mission, Vision and Values meetings at Smart Tribes Institute have helped hundreds of companies embody a truly creative, unique and authentic set of statements that increases motivation, morale, and decision making effectiveness among team members.

4) Lack of Instilling Responsibility and Integrity

There are two common mistakes that thwart the interest in increasing self-ownership and high accountability in companies.

The first is “Leadership by Friendship.” It is already well known that a leader that interacts with his or her team by being the “best buddy” or friend will often fail to make good judgments, hard decisions and key shifts at important inflection points. Most CEOs ask themselves, “How can I get my team to take higher levels of Self Ownership and Accountability?” but often sacrifice what they want most in an attempt to avoid upsetting the “culture” (or simply out of a desire to be comfortable). Once the CEO has allowed accountability to drift and get sloppy, the rest of management follows and results inevitably suffer.

The second common mistake that thwarts instilling responsibility and integrity is “Leadership by Fear.” Commonly taking the form of passive-aggressive or simply aggressive interaction, communication and actions, this model requires constant attention and energy by the CEO. This model primarily inputs scarcity and stinginess into the culture – leading to a “good enough to not get your head bitten off” model. The carrot and the stick are only part of the equation that causes self-ownership and high accountability – in fact the equation we use at Smart Tribes Institute is:

Clear Expectation + Owner Agreement + Rewards & Consequences = Ownership & High Accountability

To avoid this mistake: Setting an example of clear, actionable expectations, soliciting agreement from your team and having a published and clear set of Rewards & Consequences will instill responsibility. With regard to integrity, the CEO owning up to perceived mistakes, openly being coachable, and developing good listening skills will instill high levels of integrity into the company culture.

At SmartTribes Institute, understanding the Leadership development process is one of our specialties. Our clients follow a proprietary *five-stage* process to identify leadership challenges and powerfully reinstate leadership where needed for maximum results.

5) Little Fostering of Innovation, Innovative Thinking and Change

How does this jive with Mistake Number One? Well, along with the need for systems, procedures, conformity and consistency, a company will also need a high level of innovation, innovative thinkers and a drive for constant change. Just like life is full of paradoxes that exist for our fullest experience and effectiveness, so it is in business. Since business is comprised of the beautiful human element, why would we expect anything less?

From a politically correct standpoint, every CEO will tell you that they encourage out of the box thinking, or innovative thinking. In practice, many company cultures instill a sense of fear for stepping too far out, really being a true innovator, or creating change. Even if some innovation is allowed, the CEO must decide how far down the chain of command there is willingness for innovation and change.

To avoid this mistake: Top companies and CEOs have designed systems that support innovation and for employees and key execs to have the experience of their input impacting the company (and possibly strategic decisions). A top CEO can avoid a stagnant company by fostering innovation from every person at the company and openly rewarding those that contribute.

SmartTribes clients are clear on how to hold meetings and events that encourage creative discussion, how to deliver communication that supports risk taking for other team members, and how to design a company culture that is supportive, dynamic and innovative. Through advanced social dynamic, team engagement and Neuro-Linguistic coaching and training, the team at SmartTribes provides our clients with cutting edge tools to grow their business, cultivate a highly desirable company culture, and accelerate growth.