

# The Three Fundamentals Of Effective Leadership

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Through more than 40 years of service in the military, in higher education and with nonprofits, I've been privileged to work with and learn from superb leaders, from the young instructors who taught me how to fly airplanes for the U.S. Navy to the very smart group of corporate chief executive officers I met during a recent business trip to Asia.

These talented people have differed widely in their personality traits and life stories. Some have been charismatic, some very modest. Some came from poor backgrounds, others grew up amid great wealth. Some of them came by their leadership abilities naturally, and many others worked hard at developing them.

But all of these men and women have shared three critically important skills: They have been driven by an inspiring vision of success. They have excelled at communication. And they have exercised superior judgment.

To lead our organizations effectively through today's economic turmoil, we all will benefit if we master those very same skills.

Leadership success always starts with vision. Henry Ford dreamed of a car families could afford. Steve Jobs dreamed of an easy-to-use computer that would unleash creativity. Nelson Mandela dreamed of an integrated, prosperous South Africa.

These were heady ideas, and they attracted more than a few sneers. But they weren't the daydreams of lazy people with too much time on their hands. They were deep-seated passions, magnetic enough to capture the minds of just a few devoted followers at first but ultimately the imaginations of millions of women and men.

A compelling vision has that power. It inspires, clarifies and focuses the work of individuals—and preferably entire organizations—for a lengthy span of time. Before you embark on any leadership enterprise, stop and take a hard look at your vision of success. What is it? Do you even have one? Often, in the rush to get things done, to launch a new project or product, we ask people to get behind our efforts without ever really giving them a good reason why.

Your vision need not be as grandiose as Mandela's. It probably shouldn't be, unless you have Mandela's phenomenal array of talents and experience. If you do, I'd like to hear from you right away. It's fine to start with something smaller, like launching a new product line in your business, or publishing a book or instituting new technology to improve your customer service. Just pick something that matters, something that excites both you and your colleagues.

But even an incredibly compelling vision won't do much good if it remains only in your head. That brings us to the second key skill: communication. For busy leaders, there's always the temptation to keep your thoughts to yourself, often because there's so much other pressing work to do. Stopping to talk and listen can seem a waste of time. It's easy to cut off debate too early, especially in this economically trying moment.

Still, mustering the discipline and time to share strategies with your staff or talk directly with your clients is only half the fight. You still need to communicate effectively—and that means being your organization's chief listening officer. When key information needs to be shared, some leaders will simply send out a memo or give a speech (without leaving time for questions) and check "communication" off their list. Later on, they'll wonder why their customers don't like a product or why their men and women don't understand their new strategy.

We can all learn a few things from A. G. Lafley, the CEO of Procter & Gamble . There's nothing flashy about him as a leader, but he's led a remarkable turnaround at P&G during his nearly 10 years at the top. He's done it by relentlessly communicating his core message: "The consumer is boss."

Lafley holds meeting regularly with buyers of P&G products. That's one of his top priorities. He'll visit them in their homes and join them for shopping trips to get their feedback, and he does so all over the world. He lavishes the same attention on his employees, meeting them in their offices, listening to their ideas and thanking them for their service. We're wise to imitate him.

A third key element of successful leadership involves judgment. In the end, your judgment calls, which are rooted in your character, become your legacy. Without the right values, judgment can easily be trumped by perverse incentives that encourage poor ethical choices.

Noel Tichy and Warren Bennis covered this topic well in their excellent book *Judgment: How Winning Leaders Make Great Calls*. Not every single judgment call you make needs to be correct. But you need to make the right calls consistently on the big choices involving strategy and talent.

Good strategy judgment frequently means a leader must find a new path when his organization is heading in the wrong direction. How well you can do this depends on your ability to scan the horizon and ask the right questions. But unless you have the right people on board, you can't execute your strategy. You need to get the right talent, and you need to ensure that it's positioned appropriately throughout your organization—and this is a constantly evolving process. The skill sets you need and the places in your organization where your men and women best fit will change as your environment and competition shift and new opportunities arise.

Ann Mulcahy became CEO of Xerox when it was on the verge of bankruptcy. She led a phenomenal recovery by exercising great judgment. As Bill George recounts in *True North: Discover Your Authentic Leadership*, Mulcahy's first move was to meet with the top 100 executives at Xerox and ask them to stay and fight for the company's future. All but two of them did.

She also got out into the field to meet her employees and scout talent. She surrounded herself with good people and made sure they knew she needed them. She looked into the future and saw brighter days ahead for Xerox, even when key advisers were urging her to consider bankruptcy.

In her view, that future depended on re-engaging with customers through a strong sales team, launching innovative products by investing in research and development and reinventing the company's approach to its operating expenses. That strategy, developed in cooperation with her colleagues, rallied the entire organization. It provides a fine model for us as well.

I look forward to exploring these three themes—vision, communication and judgment—in greater depth in quarterly columns for Forbes over the next year. In the months in between those columns, you'll hear from my faculty colleagues at the Center for Creative Leadership on other key leadership skills for these turbulent times. We look forward to this opportunity to share our thoughts on leadership, and to hearing yours as well.

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