Musings from

Musings from Gate 44 is a series of papers written from one of the most sacred reflective places in a consultant's life – the airport. As we depart our client's cities, we are often decompressing, celebrating, venting, strategizing and reflecting on behalf of those we serve. We're inviting you into our private thoughts about….you. "You" means those of you leading complex organizations trying to grow, change, improve and compete. These "musings" are stimulated by patterns we see over and over again as we work. Our hope is that letting you into our inner thoughts will help you grapple with the issues that frustrate your noblest aspirations and thwart what you seek to achieve. (We hope we'll also have a chance to laugh gently together at some of the silly things organizations can do.)

Leading at the Right Level I: The Phenomenon of Leadership and Decision Compression

By Ron A. Carucci

***Flying over Yosemite Valley** on my way home from another week on the road, El Capitan, the imposing solid granite wall with innumerable classic climbing routes on it, looks like just another modest lump among many others in that part of the Sierra mountain range. By contrast, I was reminded how it looked and how I felt standing on the Valley floor at the foot of El Cap at the base of the classic climb called The Nose. I was in complete awe of what 3000 ft of straight-up granite wall looks like – never mind climbing it for 2 to 3 days. How climbers only half way up look like ants when you look in binoculars. And then remembering another perspective, all those features of the route like belay stations and cruxes and bivey ledges and rotten anchors and run-outs that describe a topography you only know if you have climbed the route. Three very perspectives of the same entity. Then I recalled another force that both flying over and climbing on El Cap share – gravity. Gravity is always at work, and rock climbers and pilots and senior leaders know it as well as anyone. Gaining and then maintaining altitude takes effort. Funny how a long flight can blend flying, climbing and leading in just a flash. Time to tell the flight attendant to stop filling my wine glass!*

The art, and often mystery, of how decisions get made at the most strategic levels of organizations is one of the most baffling challenges of organizational life. At the root of substantial systemic organizational pain, we hear the symptoms of this phenomenon. "We don't know who is making the decisions." "Who the heck made that call?" "I have all the accountability and none of the authority." "We leave meetings having made one decision, but then someone higher up, or lower down, decides to do something completely different." "If she wants to do my

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job, why doesn't she just take it? She sure as heck doesn't let me do it!" The list of leadership and decision-compression laments could go on ad infinitum.

This series of Musings, three in all, look at different aspects of the issue of "Leading at the Right Level." The first one looks generally at the challenges and remedies of orienting the organization to ensure decision making, especially strategic decision making, happens at the appropriate levels with the appropriate people, expertise, resources, and authority. The next will look more systemically at the design of decision making and governance at multiple levels of the organization. The final one will closely examine the unique pitfalls and requirements of leadership and governance at the most strategic executive levels of the organization.

Several of our clients are prominent global consumer packaged goods companies and on more than one occasion we have worked with the SVPs of Operations. Frequently, they asked us to help them understand potential causes of lower and slower than expected performance gains in their facilities after other efforts and investments had failed. Were disappointing results driven by leadership issues, training issues, process issues, team issues, or by something else? As part of our diagnostic work, we approached each facility with an open mind, but also with a common foundation – namely approaching the performance challenges from a whole systems perspective of both the facilities in question (plants, regional offices, etc.) and the larger enterprise perspective (how the facility fit into the larger business context of the enterprise and what value it was intended to add). In the course of our work, clear patterns began to emerge. One of the more common but troubling findings was that the General Managers of these facilities were working too much on tactical issues and too little on the strategic issues of their unit. (See the table below). We nicknamed this pattern WAWL, for "working at the wrong level."

Not only were the General Managers (GMs) too tactically focused, but much of their tactical work overlapped with and duplicated the work of their direct reports. It is worth noting that the GMs we worked with had hugely important jobs, in some cases leading up to 2,000 employees and driving upwards of $1.5 billion dollars of revenue through their respective facilities. As full-blown GMs in roles with big budgets and a complex portfolio of responsibilities, some of the GMs were leaving a lot of their expected leadership value on the table by working too much at the tactical level. Most of them were really smart, hard working, and had ample experience. The questions at Corporate started to move away from "what is wrong with General Manager A"? Instead curiosity grew about how the governance structures and management processes of the enterprise were contributing to the problem. The hunt was on to figure out the systemic causes and solutions to valuable GMs working at the wrong level.

Let's be fair to our good friends in Manufacturing. We've seen line leaders hitting the WAWL in all sorts of industries and settings. In our experience, no level, function or industry seems immune. It is in many C-suites, in regional offices, marketing departments and in R&D facilities. Basically, it is everywhere. Perhaps you will recognize some of the recurring patterns we were seeing when leaders chronically work at the wrong level:

General Managers focus on:	How Much Time Corporate Expects GMs to Allocate To This Focus	How Much Time GMs Actually Allocate To This Focus
Strategic issues (e.g., longer-term business, processes and technology and innovations)	50%	5%
Operational issues (e.g., costs, process improvement, management systems, culture and talent investments, etc.)	30%	35%
Tactical issues (day to day execution)	20%	60%

1. Strategy is a paper exercise for GMs working at the wrong level. Executives spend less than 5% of their time (and their staff or team's time) defining and working on strategic organization-wide issues.

2. Strong silos thrive when GMs work at the wrong level. Executives manage their direct reports as a staff, not as a team. The leader manages with a hub-and-spoke approach (all paths lead to them as the central decision maker).

3. GMs working at the wrong level creates downward pressure on direct reports. Direct reports of the executive also commonly work one and two levels below their stated roles. GMs themselves may be drowning in details. If leadership above regularly examines detailed information and expects GMs to have full knowledge of details that reside one and two levels below the purview of the GMs" stated role, then GMs has little choice but to immerse themselves in the details.

4. GMs and their teams often experience that only they can run the business. A chronically weak leadership bench often surrounds the GM working at the wrong level. This is often accompanied by a chronic under-investment in effective leadership development at all levels. And there is often little to know substantive succession plan.

We believe that top leaders working at the wrong levels is a wide-spread issue for organizations generally – one that needs ongoing vigilance and attention. The direct costs and the opportunity costs of not addressing this pattern are immense. What are the costs of a plant that doesn't keep up with the technology and process requirements of a marketplace that demands both lower costs and more customization (i.e. line change-overs)? What are the costs of GMs not thinking through what to do about the coming exodus of experienced colleagues as 50% of its work force retires in the next 4 years? What are the risks of having to hire GMs mostly from the outside because GMs are not being developed on the inside? What happens when well intended executives promoted through the ranks, with well developed expertise to do all the jobs they've had on the way up, continue to keep their hands in the jobs they've left behind, constraining the ability of those appointed to those roles to fully embrace them with confidence? When leaders work too much at the wrong level, the substantive work on the future doesn't get done. Talent doesn't get developed, innovation doesn't thrive, the performance culture doesn't get strengthened and, over time the business starts to run out of ways to grow organically and sustainably.

Does Your Organization Suffer From Leadership and Decision Compression?

If the conductor of an orchestra leaves the podium, who else is in a position to see and hear the whole orchestra as the audience will experience it? There is no other role to which all the musicians can readily look to collectively for guidance and inspiration on what comes next for the whole orchestra.

When top leaders "abandon the podium" and work at the wrong level, there are a host of undesirable consequences. "Leadership and Decision compression" is one way to describe this collection of negative consequences. Top executives get "bunched up" at the lower altitudes of managerial work. By neglecting their strategic and organization capability building roles as part of their governance structure, the future of the business is put at risk. Leadership compression generally creates role confusion at the next level down, it causes rework (multiple managers reviewing the same things) and, worst of all, it creates stagnation of leader development at the next level down because the opportunity of next generation leaders to stretch and gain altitude in what they work on is taken away. Worse, they often feel disempowered, distrusted, and second-guessed by those at higher levels "meddling" in their work. Abandoning the podium also starves the vital roles of those working on the future growth of the business – the innovation, the strategy, the leadership development, and the organization's culture to name a few. If the future focused leadership roles don't get sufficient time on the business agenda, when and how can they engage with line leadership? If they are relegated to the sidelines, then they become further and further separated from the core business, creating a downward spiral of their impact and their motivation. Leadership compression in essence prevents the governance structure and related management systems from adding the commensurate value that deals with the future growth of the business.

If leadership and decision compression is the family of negative consequences of leaders abandoning the podium, then three prominent family members usually joining at the table are **perspective compression**, **information compression** and **authority compression**.

Perspective Compression

When leaders of mature businesses start to work at too low of an altitude for extended periods, they literally lose their perspective – their vantage point – that is expected of their role. Three distortions of perspective in particular can be quite damaging. The loss of a comprehensive systems view is one big issue. The deeper you dive as a leader, the more of a siloed or discrete perspective you acquire and reinforce in others. As siloed or discrete perspectives become dominant (i.e., we each just tend to our own function), then the value of having a team (versus a staff) at the top starts to come into question, which of course only further strengthens silos.. The resulting vicious spiral can keep silos strong despite all attempts to the contrary by the good folks at corporate working on creating a "boundaryless" culture. A second problematic distortion of perspective is the long view being drowned out by short-term focus, undermining the ability of the business to develop long term strategies. Thirdly, there is pattern blindness. This is the loss of top leaders' abilities to spot important patterns of requirements from either outside the business (from customers, from senior management, from the board, from regulators and officials, etc.), or patterns of requirements across functions or geographies from inside the business. Let's look at each of these patterns in greater detail to understand why leaders not being able to see them puts the future of the business at greater risk.

Loss of the systems view happens when the leader leaves her podium and spends too much time immersed in the work of her direct reports. She may do this because she feels a few of her direct reports need her help or because her boss manages her in such a way that she has to be hands-on with all her direct reports. Whatever the reason, the impact is the same. By looking at the same landscape and the same issues as each of her direct reports over extended periods, she begins to lose the valuable perspective from the podium of the whole plant and how the plant fits into the value chain of the larger enterprise). Her value-add as the leader also starts to diminish as she is now immersed in the same parochial views each of her direct reports struggles with. How will I fix the problems in quality on third shift this month? What should Line 5 operators do to increase production to meet schedule? These may be important issues, but if they occupy most of the plant manager's time and energy, then there is no one else at the plant who can look at the plant-wide and business-wide organizational issues or be thinking about what to do today so that three years from now the plant remains a competitive advantage to the corporation. The other compounding factor in attention compression is that when you are paying attention to issues that others are also paying attention to, the impulse to compete can sometimes lead to embellishment or diminishment of what you are paying attention to. When you rise in an organization, the breadth of information you are expected to hold naturally expands. But if you remain riveted to information and issues you are meant to leave behind, then your ability to pay attention to what is now expected of you becomes severely limited. You need to leave behind what gets your attention in narrower roles to make room for what needs to hold your attention in larger roles. Otherwise, you end up paying effective attention to very little, if anything.

Any strong general manager needs to retain an active role in seeing the big picture from the podium and working on the future of the business. The ability to see all the pieces of an organization is unique to senior leadership roles. Imagine that everyone in your organization has something similar to Google maps ready to hand, but no-one outside the senior leadership team has a fully enabled "scale back" function. Everyone in the enterprise is obliged to look at the map of the street and immediate neighborhood. Only the senior leadership can scale back, or" zoom out" when they need to see the whole state, country or continent. This metaphor is very similar to the way perspectives on the senior team actually do differ from the vantage points others have, with the important addition of time. The organization's top leaders have a unique temporal view that should extend outwards to the strategic priorities 3, 4 and 5 years down the road.

Perspective compression also creates a natural altitude lowering effect on direct reports. If the direct reports are conditioned to "just provide detailed data" and lots of it, then they are not developed to go beyond data reporting. When the data synthesis and the interpretation and prioritizing is done by the boss, then direct reports don't learn to develop those essentials skills themselves. Equally problematic in many organizations, if the top leader's direct reports become data reporters and silo managers, then a natural tendency on the part of the top executive is to think of the collection of direct reports as a staff and not as a team. No wonder that even today we still find more staffs than true teams at the tops of many units and enterprises.

This can be especially damaging as people are appointed to higher level roles resulting from some technical successes they've had. People who rise in organizations often do so on the basis of some specific capability or skill set that enabled them to excel in a given specialty role. Their technical acumen, their industry depth, or their sharp unique approach makes them a star in one area, and those that promote them assume that capability will multiply with their responsibility. Of course, this is often far from the truth. Increasingly senior roles require the ability to hold multiple viewpoints, even competing viewpoints, at the same time, to synthesize inputs across multiple disciplines, and formulate ideas and solutions to complex issues through the formation of well founded perspectives. This ability becomes compromised when overshadowed by a once-deeply-appreciated asset that ends up becoming a liability because it no longer serves the same purpose it once did. What got such leaders elevated to greater heights can actually derail their ability to thrive because of that very asset's ability to constrain a perspective that needs to broaden but can't. The classic adage that yesterday's wins won't always bring tomorrow's is never more true than when rising in an organization and finding it impossible to stretch your viewpoint beyond what you know so well.

The final form of perspective compression, pattern blindness, may well be the most dangerous. It requires a sense of past, present, and future time orientations to see recurring issues as just that – recurring. Pattern recognition arms a leader with the capacity to make more integrative and predictive decision making. While scores have been written about this vital skill that combines cognition and intuition, for the purpose of this Musing, we'll give it a nominal attention, but make the point with this example. In a global technology company we've worked with, they track their record of successful innovation was not one of being first to market with breakthroughs. Theirs was always a niche of fast follow-on improvements and coming to market with superior innovative improvements over competitors'. This had been a pattern for more than a decade, so much so that it remained unnamed as an intentional strategy. In fact, their stated R&D strategy was to bring premium technology and solutions to their customers without regard to what competitors were doing. A recent shift in leadership ceded power to the previous CFO who felt compelled to improve margins and market share – bases on which this company historically never competed. Sales people had been clamoring to accelerate the development of a particular product they believed a competitor was leapfrogging to market in the next year, but in

order to do so, significant compromises would have to be made to the product's quality in order to bring it to market at a competitive price and margin. The newly appointed, and financially oriented, CEO made the call to accelerate the product at the disagreement of the R&D and marketing community, bringing it to market at an untested premium price point that wasn't justified by the now inferior product. The belief was that the brand would carry the day. Not recognizing the company's core strength – their historical pattern of coming to market with superior products after competitors, but rather ignoring this pattern in the service of setting enormous precedent and departing from their competence, led to a disaster. The product was a flop and actually eroded their share of a growth market for which it then took the next two years to recover. Had someone stepped back and asked the more strategic question of what had traditionally allowed them to win in the market, examined historical data about where their best margin performance had come from and in which markets, and looked at where the market was headed technologically, a very different decision would have been made. But a very financially oriented decision, narrowly constructed, and motivated by misguided notions of how to make your mark as a new executive, forsaking the advice of those lower than you with more informed perspectives, costs the company substantially. Sometimes patterns are so obvious that they don't *appear* as patterns. Take, for example, the routes we drive to and from work each day. We know inherently what times of day have more or less traffic delays and we choose the routes we take without much thought. Taking what tends to be implicit and making it explicit to reveal the inherent patterns of performance – both success and failure – fuels leaders with a predictive ability to make choices that raise the likelihood of success.

Information Compression

Information Compression follows right on the heels of Perspective Compression. When the conductor leaves the podium to go work with a particular section of the orchestra, say with the violins, then the information – the data stream – he is exposed to becomes limited by what is happening in and around the violins section.

He can no longer experience the output and dynamics of the whole orchestra the way it is heard on the podium or how the audience will experience it. Done for short periods, like during rehearsals, stepping over to the violins might be fine. Doing that repeatedly, and especially during performances is not an accepted practice for conductors. It is also very possible that the musicians would shut-down or revolt.

An executive at a one company who had moved over to the top strategy position from marketing kept all her previous contacts and brought a rich marketing perspective to meetings with the CEO. Over time, however, the CEO became disenchanted with her new chief of strategy. It seemed this executive was too focused on her old information stream and she wasn't developing a broader sweep of enterprise-wide data. She wasn't building relationships with other executives in the enterprise who had vital information, thereby limiting what insights she was gleaning and detracting from her effectiveness as the company's overall strategic thought leader. Overcoming information compression means elevating what indicators you are operating with (maybe some outside your comfort zone) and building new bridgeheads to the information streams you need. Without them, your focus remains too narrow because of the narrower information you are immersed in.

Another dimension of information compression includes how well leaders do or don't utilize, organize, and leverage data. In organizations severely hampered by decision compression, the sources of data – finance, strategic planning, HR, and line unit reporting, tend to become increasingly unreliable as those responsible for creating the data become fearful of it being misinterpreted or punishable. Decision compressed environments are hampered by the reality that people in multiple reporting relationships within the hierarchy are making the same decisions, and therefore presumably relying on the same data to do so. But the difference is some of them are creating the data, and some of them are receiving it. So, those creating the data have to protect themselves from those receiving it and need to justify their participation in decisions they shouldn't be involved in. Condemning the data becomes the easiest way to self-justify ones participation, thus creating even more decision compression by limiting the access to otherwise truly reliable perspectives available in the data gathered by those who should really be utilizing it. (For more on the senior leadership role see *Leading at the Right Level II: Understanding the Different Roles in the System*. For more on playing at the altitude appropriate to a senior – especially when you are new to the task – see *Leading at the Right Level III: Arriving at the Executive Level*.)

In environments where information is a power currency, hoarding it can hinder the necessary transparency needed to connect important dots. In one global beverage company, consumer insights and trends were housed in global marketing, while competitor and customer/retailer trends were housed in the strategy and finance function. At the intersection of these information sources lay profound insights, but separately, left dangerous holes in decision making or caused significant "fact-base wars" in executive leadership meetings, which forced the CEO into a tie-breaking role. He finally got so fed up, he told the heads of those functions to never come to his meetings without having first worked out the complimentary insights their respective data sets informed.

Authority Compression

The head of a key business unit in a large technology firm we helped a few years ago wanted us to interview his managers and find out why innovation seemed to be so difficult for them. He was concerned with non-traditional competitors entering his market and wanted to branch out into new product lines. But, despite a strong engineering culture and a history of past innovation, new product development seemed to be terribly cumbersome and slow. He was a very popular leader and his people talked to us enthusiastically about how involved he was with them. But a darker picture emerged. He was so involved in decisions that his people sought him out for input on fairly mundane things. Many low level decisions sat unmade because he could not get to them. Despite being responsible for a $9 billion dollar product line, he was so involved in the minutia that decision making had become completely compressed. None of his direct reports felt it was their job to make independent assessments and decisions without checking in with him. This constricted responsibility and accountability levels throughout the unit. It had robbed an engineering division literally bursting with talent of the ability to move quickly and placed the entire business unit in danger. Operating at the right altitude for a senior role is vital, which includes watching out for decision compression maladies.

As this example illustrates, authority compression constricts or entirely removes the scope influence from the levels of managers below. Rather than pushing the authority down to the level where the best information and insight resides, authority compression does the opposite – it forces it to go only one way – namely up through the leader.

Authority compression is far more than an issue of micro-management, or leaders who are more comfortable with the tactics of their organizations and less comfortable with the ambiguous parts. While many organizations launch "empowerment" campaigns or conduct executive training as a way to raise the altitude at which leaders play, the roots of authority compression can be far more foundational than just a leader's behavior. Consider a global food company with a portfolio of five counter-cyclical businesses – different customers and markets among five BU presidents all vying for the same finite set of resources. The five P&Ls rolled into the enterprise P&L that the company reported to its Board and shareholders. The BU presidents had compensation plans heavily skewed to emphasize their respective businesses' performance while the CEO's compensation was driven by enterprise P&L results. The problem was, the complexity of these five businesses necessitated careful orchestration of priorities and investments to allow their complimentary cyclical natures to work synergistically. This sometimes demanded trade-offs among them that relegated "winners" and "losers" for the sake of the greater good. Because the CEO had final say, and grew tired of public resource tugs-of-war, he resorted to simply making the calls on his own and "declaring" to his executive team the deals each business was to pursue, the pricing strategies for those deals, and the marketing and brand spends for those businesses. Eventually it felt to most of the organization as though he was single-handedly running all five BUs. To make themselves useful, the BU presidents found themselves on sales calls with key sales executives, or building brand campaigns in the marketing department, or doing capacity forecasting for operations.

The amount of duplicated effort was staggering, and in a year where commodity costs skyrocketed, China and Brazil were unfamiliar but required frontiers for growth, and competitors were consolidating, the CEO had been asleep at the switch with regard to a holistic enterprise strategy, all because the structure of the business had been reinforced by an incentive plan that drove decision making that was only designed to work when conditions were favorable. But when things went lean, everyone went native and the CEO was left holding the bag on his own. Now you might say, "Well, shame on him for not seeing that coming – he deserves what he got." And you might be right. But we've all woken up in cold sweats, only to discover that what should have been obvious all along was hiding from us in plain sight. Rest assured, there are conditions right under your nose that you are likely not seeing right now, especially if you are exerting authority far below the role you are in. A study of 500 project

managers found that accountability without authority was one of the top complaints creating dissatisfaction with their roles. The same researchers found a direct correlation between lack of authority and what they termed "abysmal" project failure.[1, 2]

Seconds from Disaster

A few years back, National Geographic aired a series called *Seconds from Disaster* that examined a different man-made catastrophe every week. One that caught our eye in particular was the investigation into American Airlines Flight 587. This was an Airbus passenger jet that crashed in Queens, New York in November of 2001. It happened so soon after 9/11, that everyone worried that it was another terrorist event. We were working in New York City at the time and remember dreading an announcement that someone had "taken responsibility." But it had nothing to do with terrorism. We lost track of why the plane had crashed until seeing a Seconds From Disaster episode on the Flight 587 investigation. Apparently, the Airbus A300 had a new steering system that assisted pilots by compensating for wind conditions in the air. Flight 587 had taken off on a very busy day and experienced some wind turbulence from the plane immediately in front of it as it rose into the air. The copilot pumped his rudder controls as he had been trained to do in these situations. Instead of shaking off the turbulence, the plane shuddered much more violently. The copilot applied his rudder harder again, as he had been trained, but he kept getting the opposite effect as the plane rapidly flew out of control. What he didn't know is that the Airbus A300 design compensated for this kind of turbulence automatically. The copilot was actually destabilizing the plane by overusing the rudder. He and the pilot couldn't understand why their plane was shaking so violently, and both tried to apply the rudder even harder. The rudder of the plane could not take the stress and it snapped off (something usually unheard of in modern jets) dooming the plane, which tumbled out of the sky, crashing mere minutes after takeoff. It turns out that no one at either Airbus or American Airlines had matched Airbus' new steering system with American's pilot training program. It took this disaster to see that American Airlines' pilot training program for older jets

actually urged the pilots to do exactly the wrong thing to correct for turbulence in the new Airbus system. As we watched this episode, the idea of decision compression played in our minds. Technically, no one at either Airbus or American Airlines had done anything wrong and all the appropriate procedures had been followed. But, this was a glaring mismatch that cost the lives of an entire planeload of people. Our intent is not to paint only doom and gloom pictures of un-integrated decision making that leads to disaster. But, the plain fact is that you, too, may be seconds from disaster if compression – of perspective, of information, and ultimately, of decisions, is systemically conspiring against you. Compensation systems, or operational systems, or as in the Airbus case above, simple training systems, can be reinforcing decision making in the wrong direction by the wrong people, even by people with very good intentions.

Finding Valence: Maintaining the Right Altitude in Varied Terrain

There are several ways to combat leadership and decision compression and, not surprisingly, they all have to do with finding your way back to the altitude you and all the people in your organization should be at to realize the true potential of your team. But it's not as simple as saying, "Right, here's the new level for everyone." It took you a while to get where you are and all the behaviors in your organization will be geared to the compressed altitude in which you find yourself. Here are some key things you can do to get to where you need to be.

Integration

One of the most powerful antidotes to compression is integration. Simply pushing "downward" isn't enough. Neither is pushing outward or beyond near term horizons. Connecting dots is also crucial to combat compression. As mentioned above, an executive's ability to see multiple pieces and connect them into an integrated whole sets them apart from other roles in an organization. The ever increasing complexity of organizations demands that executives help those they lead to understand how their contributions form a greater whole – how they fit into the larger story of the enterprise. "Sense making" is what effective executives do by leading in ways that enable others to see beyond their immediate work to the linkages they must form with other parts of the enterprise. Compression impairs this because the executive herself is trying to be the linkage rather than trying to help others create it. Integrating executives govern in such a way that encourages leaders below them to take initiative to cross boundaries and establish effective connections across the enterprise that strengthen execution and amplify the quality and creativity of ideas.

Employ Reliable Calibration Mechanisms

The surest way to avoid unwanted, or stealth compression, is to install safeguards against them. To safeguard against perspective compression, make sure you are remaining grounded in external realities – that you are regularly visiting customers and tracking market insights. That you are visiting the "perimeters" of the organization – plants, outposts, remote locations, where decisions that hold rich patterns reside. That you study your competitor's moves diligently. And, that you guard the agendas of your most senior leader's meetings. One executive we worked with forced the perspective compression issue to resolve itself by only allowing items on his team's agenda that had material relevance six months or longer out. If a topic or decision has significance within less than a six month horizon, it was not permitted to even be raised in the room. The team got the point. To safeguard against information compression, be sure you have comprehensive dashboards that measure and monitor performance across the enterprise. It's stunning to us that, with the accessibility of good data analytics today, most large enterprises still fail to have even the most basic analytical capability available to them to make sense of things. There's no shortage of "raw information" – those 6 inch binders still pile up in meeting rooms. But, real data that has profound meaning still seems to be sparse. Invest in great analytical data of your customers and consumers, your competitors, your progress against strategic commitments, and the growth of your talent, and look for patterns and trends across all of it. It will be the greatest muscle you ever build for your organization.

Take Charge of the Calendar

The head of a financial services company came to us and asked point blank, "How do I know if I'm wandering out of my role?" We told her that one of the

most effective ways of telling was an inventory of her quarterly calendar. Where was she spending her time and with whom? What were the issues and outcomes? As we've mentioned, the nature of work at the top of the enterprise differs substantially from every other job in the company. An inventory of her calendar revealed far too many meetings on allocation of resources and talent. She spent a lot of her time settling disputes among units for resources and meanwhile had not discussed the values of the organization with anyone in months. This was telling, as a new values task force was being organized. It hadn't even occurred to her that she should have had input into that from the beginning. Inventory your quarterly calendar against the role appropriate to your System. You will get a very good idea of where you are and where you should be.

Develop Participants

Few organizations do more to document the requirements of an executive's role than write the perfunctory job description HR uses to select for the role. But, the platinum standard organizations go much farther and define the role's required decision making parameters. Be sure you are building executives that bring *all* of the required capabilities to their decision making demands – they have the knowledge, or know where to get it, regarding how the business works and how money is made (it's not as obvious as you think!), they have the *managerial courage* to make tough trade-off decisions from among competing priorities, they are *data driven*, they know how to use multiple fact bases to inform their choices, they are *collaborative*, they enjoy the process of integrating multiple and differing views into a decision that is collectively owned by their team, they are comfortable with *ambiguity*, that the uncertainty and multiple variables of playing at the strategic level doesn't off-balance them, causing them to impose false precision, certainty or tangibility onto what is naturally not so, and that they are comfortable exercising the *power* that comes with their role. It's far more common for leaders to push away from the power that comes with their level than it is for leaders to become power-mongers, hoarding and using it with self-interest, contrary to popular clichés.

Replace Compression with Engagement

The new CEO of the communications company I mentioned earlier faced an organization where compression had been a long-term problem. It wasn't enough to pull people back up into the top level. Compression means that everybody is playing too low. If you get your immediate team refocused on work appropriate to their role, a vacuum will open in the gulf between what your team used to do and what they do now. In the same way that compression is a downward push from the top, you must replace it with an engagement that pulls people upwards. Again, look at the right focus of roles. The top leadership is effectively a strategic system that sets direction while other groups in the organization translate that strategy for the rest of the enterprise. The new communications company CEO hammered out a strategy for refocusing the organization, implementing a fiscal discipline that had been lacking and increasing sensitivity to customer needs. He then brought in the top teams from the business units and had operational strategy meetings in which these leaders worked through how the strategy would optimally apply to the area of the business they had responsibility for. The CEO participated in the first wave of these meetings and ensured that the operational strategies reflected the overall corporate strategy. Then these leaders went out and performed the translation work themselves. This was one key way this CEO replaced compression with engagement in an organization that had been tremendously unfocused.

The Sierras are well behind us now and the plane is on its glide path to the runway. We hope we've given you something to think about as you consider what working at the right level means for you and the GMs in your organization. We've mentioned that the top leadership is collectively a "strategic system" for the enterprise. The second Musing in this Leadership series discusses this strategic system in detail, in conjunction with the other systems that make up all large organizations. The third installment in this series takes a closer look at the challenge of arriving in a strategic system role and amplifies many of the ideas presented here as it looks at how top executives can successfully reach the altitude their role requires. If you want to hear more, drop me a line at ron@navalent.com

1 - "Accountability Without Authority: How To Drive Employees Crazy" by Bill Casey & Wendi Peck, http://www.elg.net/
2 - "What are the key managerial authorities a project manager needs to succeed?" By William W. Casey, in "Business Driven Information Technology: Answers to 100 Critical Questions for Every Manager" by David Laube (ed.) and Ray Zammuto (ed.)

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