Executive Book Summaries®

Hacking Leadership

The 11 Gaps Every Business Needs to Close and the Secrets to Closing Them Quickly

by Mike Myatt

THE SUMMARY IN BRIEF

The follow-up to Mike Myatt's internationally acclaimed *Leadership Matters*, *Hacking Leadership* is for leaders who feel that their performance falls short of their potential and who want to know why. It's for leaders who understand that in business today, the rule is adapt or die. And it's for anyone who wants to expand their leadership acumen or for leaders interested in shaping a sustainable culture of leadership.
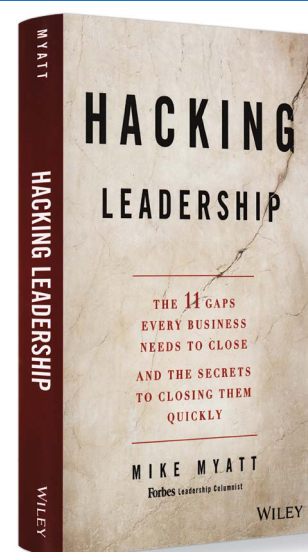
As Myatt explains, core leadership principles have remained largely the same since the dawn of time. The trick is learning how to integrate those principles with evolving leadership practices engineered for 21st century success.

Enter *Hacking Leadership*. It delivers a proven approach to identifying your blind spots and closing leadership gaps. With the help of in-depth case studies chronicling his work with leaders at many of the world's leading organizations, Myatt identifies the 11 leadership gaps which can be fatal to your health as a leader. These include gaps in the key areas of leadership, purpose, future, mediocrity, culture, talent, knowledge, innovation, expectation, complexity and failure. More importantly, he arms you with actionable leadership and management hacks to bridge those gaps in order to create a true culture of leadership within your organization and drive record-breaking bottom-line and top-line business results.

Offering a bold new approach to leadership development and powerful tools for achieving your full potential as a leader, *Hacking Leadership* is must-reading for anyone who refuses to think of leader as merely a job title, but as their life's mission.

IN THIS SUMMARY, YOU WILL LEARN:

- To challenge your presuppositions and reframe your thinking about leadership.
- To gain a sharper perspective on your performance as a leader.
- To gain deep insights into your perceptual biases and self-imposed limitations.
- To understand and address the 11 leadership gaps most relevant today.

CONTENTS

THE COMPLETE SUMMARY: **HACKING LEADERSHIP**
by Mike Myatt

Prologue

Nothing impacts our world like leadership, and sadly, the practice of leadership is broken. The pace of change has never been faster and more dramatic, yet our leadership practices have remained painfully stagnant. It's time for a fresh perspective — it's time to begin Hacking Leadership. Core leadership principles need not be abandoned, but outdated and ill-conceived practices must be hacked in order to reestablish leadership equilibrium.

My definition of hacking is to discover an alternate path, clever and skillful tricks, shortcuts and workarounds, breaking the code, deciphering complexity, influencing outcomes, acquiring access, and creating innovative customizations to existing/outdated methodologies.

Hackers are innovative thinkers who acquire and distribute knowledge, tips and tricks for solving complex problems — they reinvent strategies, protocols and practices to create more effective solutions to both existing problems and new challenges. They adopt the mindset of innovating around best practices in pursuit of next practices.

In many respects, leadership is nothing more than identifying personal, team, organizational and market blind spots and then dealing with them in the most effective fashion. Therefore, it's critically important for leaders to understand that most blind spots exist in the form of gaps — positional gaps, philosophical gaps, strategic gaps, operational gaps, expectation gaps, knowledge gaps and so on. Gaps exist in every organization: The issue is whether you recognize them, and if so, how you choose to deal with them. •

Hacking the Leadership Gap

All truly great leaders have one thing in common — they have a clear understanding of their strengths and weaknesses. They've learned to check their ego, enhance their level of self-awareness, and understand how others perceive them. They are clear thinkers who understand their role and are prepared to act accordingly.

The Leadership Gap Defined

The seminal question you must ask yourself as a leader is why should anyone be led by you? To consistently receive the right answer, a leader must first gain an understanding of the three critical leadership gaps:

• **The Development Gap:** The gap between how you assess your current leadership ability and your true potential as a leader. Understanding this gap indicates whether you see leadership as a destination or as a continuum. It is impossible for a leader who is not growing and developing to lead a growing and developing enterprise.

• **The Influence Gap:** The gap between your self-assessment and the assessment of your leadership ability by your peers. Your understanding of this gap and willingness to do something about it will determine your ability to build a cohesive team. Leaders who don't have the trust and respect of their team won't be able to generate the influence necessary to perform the expected levels.

• **The Reality Gap:** The difference between how you view yourself and how those you lead feel about you. A leader who loses the faith and confidence of their workforce won't be able to attract and retain talent, will have a culture on life support, and subpar performance that ensures a limited shelf life.

Rate yourself as a leader on a scale from 1 to 10, with one representing the worst in leadership and 10 being the best. Not your leadership potential, but rather how you are currently performing as a leader.

Leaders consistently overrate themselves. How do we know this? Because we have surveyed thousands of subordinates and peers as well as those whom the leaders report to. They rate their leaders lower, so if you rated yourself an 8, then your coworkers likely rated you a 6. If you rated yourself a 6, then they likely rated you a 4.

The difference between your self-assessment score and how others rate you is the leadership gap. Whether the leadership gap is perception or reality doesn't really matter — it's nonetheless the gap all leaders must learn to hack.

Hacking the Control Gap

The most common mistake leaders make is to attempt to lead through control. As counterintuitive as it might seem, in order to gain influence, you must surrender control. The purpose of leadership is not to shine the spotlight on yourself but to unlock the potential of others so they can in turn shine the spotlight on countless more. Control is about power — not leadership. Control restricts potential, limits initiative and inhibits talent. Surrender fosters collaboration, encourages innovation and enables possibility. Controlling leaders create bottlenecks rather than increase throughput.

When what you seek is to build others more than glorifying self, you have developed a level of leadership maturity that values surrender over control. What you do or don't surrender to will define you.

Hacking the Status Quo

Leaders who are bored, in a rut, or otherwise find themselves anesthetized by the routine have a huge problem — *they are not leading.* Real leaders are always looking beyond *what is*, thinking about the possibilities of *what if*, and acting to ensure *what's next*. Don't make excuses — make changes. If you're stuck in a leadership rut, use the following five hacks to help you find your path back to real leadership:

• **Go Break Something:** Try changing the corporate landscape by shifting existing roles and responsibilities or by bringing in fresh talent from outside. Overlay a new business model on top of the existing one, and look for ways to create new advantages and make needed improvements.

• **Recharge Your Brain:** The brain needs to be nourished in order to evolve. Subject the brain to new and creative ways of thinking.

• **Get Some Help:** The best leaders surround themselves with wise counsel and make a habit of seeking out sound advice.

• **Have a Vigorous Debate:** By seeking out dissenting views and differing opinions, you open your mind to new ideas and perspectives.

• **Fire Yourself:** If you can't or won't fix yourself or allow yourself to be developed by others, then it's time to pass the baton. ●

Hacking the Purpose Gap

Purpose-driven leaders have fueled the greatest accomplishments in world history. Why would anyone believe that a business should operate apart from or without purpose? The reality is that many organizations in today's world have devolved to the point where there is no clear purpose, and therefore, there exists no real leadership.

The Movement Hack

The secret sauce to purpose is found in a leader's ability to scale personal and professional purpose into a cause embraced and evangelized by others. It's time for a leadership movement that values engagement, open dialogue and candid discourse above personal gain. A movement requires a vision that's inclusive, collaborative, and has an orientation toward service. Most of all, a movement requires people committed to change. These things can only be accomplished if fueled by a shared purpose.

So, what's your cause — your greater purpose — your opportunity to create a movement? Pursue those things. Rally people around this newfound shared purpose, and go change the world.

Individual Purpose: Hacking the Purpose Continuum

The best leaders understand the critical importance of transforming personal values into a greater sense of purpose. Real leadership means you care first and foremost about something beyond yourself. If you're chasing a position and not a higher purpose, you may want to rethink your approach.

There exists a gap between success and significance. Most people use their knowledge, resources and experience to acquire things in an attempt to satisfy their personal desires, which in their minds constitute success. Contrast this with leaders who use their knowledge, resources and experience to serve and benefit others, which by my standards constitutes significance. Significance is

purpose-driven by personal values and is a gift that cannot be purchased.

Organizational Purpose Begins with Hacking Why

At its core, leadership is the business of defining and articulating vision (why) and then aligning people (who) with said vision. Many organizations attract people with compensation — the great organizations attract people with a clearly articulated and compelling purpose. In recent decades, when people thought of purpose-driven organizations, their minds would naturally gravitate toward the nonprofits. But times have changed, and it's catching many for-profit businesses by surprise.

What many leaders fail to understand is that purpose drives profit, but rarely does profit create purpose. Moreover, purpose can drive profit and align interests with more cohesion, velocity and scale than any other alternative substitute. Profit is not the reason a business exists; it's a by-product of a purpose-driven business. ●

Hacking the Future Gap

Innovation, growth and development cannot occur by pretending we live in a world that has long since passed us by. All great leaders are forward thinking and leaning. The best leaders understand the present is nothing more than a platform for the envisioning of and positioning for the future. Focus only on aspects of the present that lead you toward the future.

Hacking the New Normal

Businesses are navigating new levels of technical complexity, economic uncertainty, political acrimony and consumer cautiousness. That said, the new normal should be embraced. Smart leaders recognize economic slowdowns are not all doom and gloom. In fact, the smartest executives understand that swimming upstream against the conventional wisdom of the risk averse can actually create significant opportunities for growth. This is the lens smart leaders use to view the new normal.

Great leaders not only embrace the new normal, they look to constantly create the next version of it. The new normal affords leaders the opportunity to reexamine everything, abandon outdated thinking and challenge dominant logic. What's the next new normal for your organization? I would suggest you create the new normal by design. This is best accomplished by learning to pull the future forward.

Great Leaders Hack the Future

The most successful leaders don't move toward the future; they bring the future to them. To understand the future, one must truly, deeply and richly understand people. It's the people who make today's decisions (good and bad) that pave the path into the future. Following are three hacks to help you better understand the people:

• **The Motivation Hack:** You must be able to reasonably predict the actions of people, so you must understand their motivations. Their motivations speak to who they are, what they value, how they work, and why they do what they do.

• **Hacking the Rhetoric:** More important than what people say is what they do. There is no reason to be surprised by people's behavior, unless you've failed to observe it.

• **The Observation Hack:** Look into any leadership failure, and you'll find indications of failure were everywhere well in advance of the event itself. Visionary leaders refrain from the common delusion of seeing what they choose to see. ●

Hacking the Mediocrity Gap

Leadership exists to disrupt mediocrity. Why is mediocrity so prevalent? It requires no courage. The best leaders exhibit the strength of character to move past the ordinary to reside in the realm of the extraordinary. The status quo is mediocrity's preferred weapon of choice. Great leaders must hack the mediocrity gap or face the consequences.

The best defense against mediocrity is not to let it get a toehold to begin with. Smart leaders don't wait until someone's been deemed at risk to implement triage, nor do they simply focus efforts on their high-potentials. Look at the entirety of your team as being high-potentials worthy of development, investment and, most of all, your attention.

Hacking the Impulsivity Gap

Countless leaders suffer from self-inflicted wounds created by impulsivity. Do not confuse creativity with impulsiveness. Creativity is born from insightfulness, whereas impulsiveness is birthed by naiveté and/or arrogance. Ultimately, it's a leader's lack of focus or focus on the wrong area that allows impulsive thoughts to be acted upon.

Few things positively impact an organization like a stable tone from the top. A humble and resolute confidence, a sure hand, and a steady calm inspire belief in a leader's competence and capability. If you want to become a more

stable leader, pay attention to the following four pillars of stability:

• **True North:** Stable leaders have an open mind, but they also have strong convictions and principles. You might not always agree with stable leaders, but you never have any doubt as to where they stand.

• **You Play How You Practice:** Your performance is always tied to your preparation. Training, development and continuous lifelong learning are the foundational corner-stones of stable leadership.

• **Lead with Compassion:** Stable leaders have a natural bias toward empathetic and compassionate behavior. When those you lead know you care, it creates a sense of trust and stability.

• **Freedom to Fail:** If the people you lead are afraid to make mistakes, you'll never see their best work — you will have led them to a perpetual state of mediocrity. Smart leaders make it safe for people to think big, take risks, and try new and different things.

Hacking the Safety Gap

One of mediocrity's greatest protectors can be found in the rationalization of safe behaviors and decisions. While good decisions measure and manage risk, they are rarely risk-free. Leaders who look for risk-free decisions do little more than cede opportunity to others. Following are five types of decisions that many see as the safe decision — savvy leaders understand they're anything but safe:

• **The Politically Correct Decision:** Real change is built upon seeking the truth and not some watered down version thereof. The first step in solving problems is to deal in whole truths, not untruths or partial truths.

• **The Talent Decision:** The reason companies make bad hires is that they compromise, settle, play it safe — they don't hire the best person for the job. If you don't believe you can hire world-class talent, don't be surprised when others begin to share your opinion.

• **The Values Decision:** Rewarding performance over values might seem to be safe or smart, but it is neither. The best leaders have a zero-tolerance policy for actions and/or decisions that constitute a violation of corporate values.

• **The Managed Decision:** When decisions are over-managed, they tend to be under-effective. Build the right team, and have the confidence to allow decisions to be made closest to the point of impact.

• **The No Decision:** Not making a decision is still a decision — it's usually just not the right decision. The greatest security is found by teaching others to make great decisions and then granting them the responsibility and authority to make them. •

Hacking the Culture Gap

The phrase "toxic work environment" is code for bad leadership. Toxic cultures occur where arrogance, ignorance, ambivalence and apathy are present, but again, not where steady leadership stands at the helm. A toxic culture simply cannot coexist in the presence of great leadership.

Great corporate cultures are intentional — they are built by design. Creating a healthy culture is a matter of making a focus point within the corporate values, purpose, vision, mission and strategy.

Culture is a construct that must be embedded into the very fabric of the corporate identity. It must be part of the ethos that describes why the enterprise exists, what and who it values, and how it will behave. This is why culture must be created from a design perspective — it must be intentional and purposeful. It must be part of the strategy that dictates acceptable behaviors, how decisions will be made, and what will drive operational focus.

When culture is not understood, not integrated, not led and allowed to be amorphous, it can spin out of control. Culture can become distracting or, even worse, destructive. Culture run amok can kill companies. But if culture is not driven by strategy, then said culture will likely become little more than a very dangerous intoxicant.

Healthy cultures can't be built by setting boundaries, through the enforcement of arbitrary rules or bureaucratic mandates, and you certainly can't manage culture by instituting intricate processes. Culture shouldn't be imposed upon people — as co-creators of the culture, the people are the culture. Culture is not something to be managed but rather something to be led. Leading culture involves actions such as creating a culture of leadership, investing in people, developing "next practices," encouraging risk, collaborating, embracing dissenting opinion and others.

Hacking the Courage Gap

Creating a culture of leadership is not for the faint of heart — it takes great courage. Courage is having the strength of conviction to do the right thing when it would be easier not to do things right. Leadership absent courage is nothing short of a farce.

The best thing about courage is that a lack of it can be overcome. Courage isn't a skill; it is a decision. In the corporate world those who demonstrate courage stand apart as innovators and opinion leaders; those who display a lack of courage are viewed as yes men who are the politically correct defenders of the status quo. •

Hacking the Talent Gap

Leaders don't put people in boxes; it's their obligation to free them from boxes. True leadership is about helping people reach places they didn't know they could go. It is one thing to be able to recruit talent, something altogether different to properly deploy talent, and quite another thing to have your talent play nicely in collaboration with one another. It is the responsibility of leadership to set the tone with a great talent strategy.

The number one reason companies make bad hires is they compromise, they settle, they don't hire the best person for the job. Compromise has its place in business, but it has no role in the acquisition of talent. It doesn't matter whether candidates have great potential, what diversity segment they represent, if the hire is an internal or external candidate, whether or not they have industry experience, or where they earned their degree. Smart leaders don't "give" people the job because they've been with the company longer — they select the best person for the job regardless of how long they've been with the company.

A values-based approach to hiring increases performance, enhances collaboration, reduces turnover, improves morale, and creates a stable culture. Don't just hire a top producer or the candidate who graduated from the best business school, but rather hire a person whose values are in alignment with the organization's core values and vision and who also happens to be talented.

Hacking the Turnover Gap

Regardless of tenure, position, title and so on, employees who voluntarily leave generally do so out of some type of perceived disconnect with leadership. Following are 10 reasons your talent will leave you — smart leaders don't make these mistakes:

- You failed to unleash their passions.
- You failed to challenge their intellect.
- You failed to engage their creativity.
- You failed to develop their skills.
- You failed to give them a voice.
- You failed to care.
- You failed to lead.
- You failed to recognize their contributions.
- You failed to increase their responsibility.
- You failed to keep your commitments.

If leaders spend less time trying to retain people and more time trying to understand them, care for them and lead them well, the retention thing would take care of itself. Employees who are challenged, engaged, valued and rewarded rarely leave, and, more importantly, they perform at very high levels. ●

Hacking the Knowledge Gap

Knowledge matters; but when it comes to leadership, knowledge isn't about being right — it's about achieving the right outcomes. The biggest barrier to the acquisition, distribution and application of knowledge is a leader's ego. The most important hack is for leaders to get out of their own way and out of the way of those they lead.

A corporation's employees must be able to acquire knowledge (learning), transfer knowledge (out of the head and into an information system), apply knowledge (from the information system into an actionable event), manage knowledge (execute with focus, timing and precision) and secure knowledge (keep it from evaporating or even worse from walking out the door to a competitor).

Some say we've moved from information and knowledge workers to entire knowledge enterprises. While this may be true, all the institutional knowledge in the world won't protect you from leaders who can't separate useful knowledge from useless knowledge and from leaders who don't know how to leverage knowledge into competitive advantage.

Hacking the Decision Gap

The great benefit of knowledge and experience is the hope that they will lead to wisdom. The best leaders use their knowledge to not only make better decisions for themselves but to help those they lead to make better decisions. Most leaders who rapidly progress in their career path do so largely based on their ability to consistently make sound decisions.

Understanding that a hierarchy of knowledge exists is critically important when attempting to make prudent decisions. Not all inputs should weigh equally in one's decisioning process. By developing a qualitative and quantitative filtering mechanism for decision making, you can make better decisions in a shorter period of time. The hierarchy of knowledge is as follows:

- **Gut Instincts:** An experiential and/or emotional filter that may have no underpinning of hard analytical support.
- **Data:** Raw data is comprised of disparate facts, statistics or random inputs that in and of themselves hold little value.
- **Information:** Simply an evolved or more complete data set derived from a collection of processed data where context and meaning have been added to disparate facts.

• **Knowledge:** This is information that has been refined by analysis such that it has been assimilated, tested and/or validated. Knowledge is actionable with a high degree of accuracy because proof of concept exists.

Decisions made at the gut instinct or data level can be made quickly but offer a higher level of risk. Decisioning at the information level affords a higher degree of risk management but is still not as safe as those decisions based upon actionable knowledge. ●

Hacking the Innovation Gap

The need for change exists in every organization. If your organization doesn't innovate and change in accordance with market-driven needs and demands, it will fail — it's just that simple. Agility, innovation, disruption, fluidity, decisiveness, commitment and, above all else, a bias toward action will lead to the creation of innovation and change.

Too many companies are long on ideas and short on execution. Ideas don't equal innovation. Not only do raw ideas have little intrinsic value, but they are often very costly. The difference between an idea and innovation is execution — ideas are ethereal, and innovation adds value. Don't be the "idea" person; be the innovator.

Most innovators view innovation from one of two perspectives: those who believe disruptive innovation is superior to incremental innovation and those who take the opposite side. The real trick is to focus on incremental innovation that becomes disruptive. This combination allows innovators to have their cake and eat it too. This is what levels the field by bringing disruptive opportunities in reach of companies that don't have the time or resources to create new markets. Disruptive innovation isn't limited to a sole focus on creation of something new. Disruption can occur by disintermediation, refining, reengineering, or optimizing a product/service, role/function/practice, category, market, sector or industry.

Hacking the Next Level

At one time or another all great leaders experience something so big and so impactful it changes the landscape — a game changer. The message here is simple — don't copy; create. The goals are to create, improve on and innovate around best practices in order to find next practices. The following six steps represent my personal process for finding and implementing game changers — I call it SMARTS:

• **Simple:** Realistic, cost effective, quick to adopt and fast to implement. Don't get entangled in complexities — become heavily invested in simplicity.

• **Meaningful:** Game changers have great purpose, meet a need, solve a problem, serve an existing market or create a new one.

• **Actionable:** If you cannot turn an idea into innovation, then it's not a game changer.

• **Relational:** Game changers enhance, extend and leverage existing relationships as well as serve to create new ones. All business boils down to people, and people mean relationships.

• **Transformational:** A game changer causes change. You cannot experience sustainable improvement without transformation.

• **Scalable:** True game changers are built with velocity and sustainability in mind. The best thing about real game changers is they build upon themselves to catalyze other accretive opportunities. ●

Hacking the Expectation Gap

Managing expectations is gamesmanship — aligning them is leadership. What leaders say, how they say it, and whether or not they follow through on what they say matters greatly. Leaders can overcome many mistakes, but rarely can they overcome a loss of trust and credibility stemming from a failure to keep their commitments. Equally as difficult to overcome is a gap in trust that occurs when leaders ask for one thing but hold people accountable for something altogether different.

Aligning expectations doesn't need to be difficult — set them, align them, stick to them and execute on them. The best leaders make a practice of saying what they mean, meaning what they say, and doing what they say they'll do.

The following three practices will help create an organization that delivers on its commitments:

1. **Collaborate Early and Often:** Decisioning in a vacuum or without all the facts will place you in a deficit from the beginning. Before making promises or commitments, collaborate with all concerned parties to ensure that expectations are understood.

2. **Resist Making Verbal Commitments:** Most broken commitments result from impulsive verbal promises made before all the details were sorted out. Place your understanding of the deliverables in writing by outlining key business points, and circulate the document for review and comments.

3. **Treat Promises Like Projects:** Build a culture that breaks down all commitments into deliverables, benchmarks and deadlines. This will help manage performance risk and will also create continuity of process and delivery.

Hacking the Complexity Gap

Complexity is the enemy of the productive — it stifles creativity, slows progress, increases cost, inhibits confidence and erodes culture. Most businesses have too many people and too many resources focused on things that don't matter. All businesses can benefit from a focus on simplicity.

The most effective way to deal with complexity is to strip it away through refining efforts rooted in simplicity. But simplifying something doesn't make it a trite or incomplete endeavor. Simplification makes for a more productive and efficient effort that is often more savvy than other, more complex alternatives. Simplicity also serves as a key driver of focus, which enables greater efficiency, productivity and better overall performance. Keeping things simple allows you to focus on one thing at a time without the distractions that complexity breeds by its nature alone. Break down every key area of your business, and attempt to simplify your processes, initiatives and offerings.

Hacking Smart

Business people are smart people, and smart people like smart things. But when it comes to business, what we really need are more dumb businesses. That might sound strange, but the dumber your business is, the better off you are. The truth is that great companies are those that can thrive and prosper in the absence of complexity and sophistication. As odd as it sounds, businesses that are not dependent on smart talent, capital or technology can scale faster and easier than those businesses burdened with the aforementioned dependencies.

Simplicity matters. It matters to the consumer and matters to your workforce, and it matters to the growth and the sustainability of your enterprise. ●

Hacking the Failure Gap

The only real leadership failure is failure to focus on the main thing — serving those you lead. Most leaders go out of their way to hide their fears and explain away their failures rather than confront them and learn from them. Leaders must understand how to give permission to fail in a way that moves things forward, not sets them back.

Fear in and of itself is not a bad thing; rather it is how people choose to cope with fear that will determine its effect on their life. Fear is a warning sign that needs not to be ignored or hidden but understood and addressed.

The greatest fear most professionals struggle with is the fear of failure. Oftentimes this fear of failure governs how much risk businesspeople will take and in turn how successful (or not) they are likely to become. Under the right circumstances, failure is absolutely the best experiential learning tool available.

Hacking Perfection

Leadership requires attention to detail and a commitment to quality, but rarely does it require perfection. Perfectionists tend to be very busy, but rarely are they productive. Moreover, the pursuit of perfection rarely results in a competitive advantage, but it will result in time delays, cost overruns, missed deadlines and unkept commitments. Rather than seeking what cannot in most cases ever be achieved, it makes more sense to seek the highest standard of quality that can be delivered in the shortest period of time. The best leaders are able to make very complex decisions on short time frames and with incomplete information. Agility, fluidity, decisiveness, commitment and focus all lead to the creation of speed that results in a certainty of execution.

Final Thoughts

In the final analysis, leadership is less about structure and more about vision and philosophy. Nothing inspires change and innovation like great leadership. Put simply, the greatest testimony to the power of real leadership is what happens in its absence — very little. ●