

Lean Focus



CEOs Must Lead and Perform a Balancing Act

By Stan Askren

Nowadays, every CEO is especially accountable to *both* stakeholders and shareholders. While shareholders demand profit, stakeholders demand more social responsibility on the part of the company. CEOs are now faced with increasing stakeholder power versus shareholder power. Indeed, stakeholders are driving for more social responsibility and are less concerned with profit. The crux of the matter is that a CEO who drives just for social responsibility and fails to deliver a profit to the shareholders is gone.

Thus, a great CEO must be an outstanding leader who can balance these dual, oft-competing demands.

Arguably, there are more books about leadership than any other business skill. As a result, it is important to sit down and think about what really constitutes leadership—without succumbing to

an information overload. Core attributes are more important than experiential-based personality traits. Indeed, selectable traits are more worth working with versus developable traits.

Certainly, some things can be trained and some things can merely be selected. In other words, you either have them or you don't. The best predictor of future performance is past performance. Therefore, the discussion should revolve around what one has actually accomplished and demonstrated in the past. In this regard, a behavioral-based interviewing process is the most effective tool. Indeed, strong reference checking is also key to understanding the leader's potential and likelihood of success.

Five leadership traits that especially stand out are goal direction, strong intellect, strong influence, and persuasion skills, a leadership appetite and commitment, and lastly, strong personal character.

1. Being goal-directed means the individual wakes up in the morning thinking about what they are going to accomplish. They think about what they are going to get done. They are thinking about making something big happen today—not solely small tasks. “Moving a mountain” should be part of their lexicon. Another piece of goal direction is the ability and willingness to solve a really big, complex problem, or achieving something seemingly overwhelming and difficult. Goal direction translates to being able to identify obstructions and either go over them, through them, or around them. Typically, goal direction comprises a high level of constructive discontent. Such leaders have a strong belief that there is always a better way. Moreover, they are never satisfied with the status quo.
2. A strong intellect means the individual can think both analytically and strategically. They can spot patterns and develop an overarching strategy to address the needs of the organization. They can anticipate what will happen before it happens. They seem to be able to see around corners. They can absorb and assimilate large bits of information and make sense of the information. They see patterns in a chaotic world. They can simultaneously hold several ideas that may be in conflict without going crazy in the process. They are comfortable dealing in grey, nondescript areas and can make decisions with incomplete information. They are lifelong learners with strong intellectual curiosity to try more, learn more and see more.
3. Strong influence and persuasion skills mean the individual knows how to form a point of view and then communicate that point of view in a way to win individuals and the organization over to their perspective.

They know how to marshal resources to move the organization forward. Generally, they are empathetic, having multiple viewpoints and can relate personally to multiple levels of audiences. These skills also mean that leaders also understand how to work the formal and informal authority network. They typically have strong one-on-one communication skills, strong written communication skills, and strong public speaking or presentation skills. In this day and age, they also understand how to use social media and social networks to get their message across in a compelling fashion.

4. Usually, leadership commitment and appetite means the individual has a concern for impact and wants to be the one on the line in the difficult situations. They typically have the courage to stand alone in difficult circumstances and have high levels of constructive self-confidence. The best leaders have “humble confidence”. Thus, they are humble enough to not believe they are better than the rest. They are humble enough to realize they may be wrong. They are humble enough to seek counsel and input. Yet, they are confident enough to decide and move forward after carefully considering the inputs received. Effective leaders have capability, engagement, and aspiration. Engagement means they will do whatever it takes. They will put in the time. They will make the sacrifices it takes to be successful. They will invest their time and energy for the cause. Finally, they must have the capability to lead. That means they have the intellect, respect, and experience to lead. Simply having the aspiration and engagement does not make one a successful leader. Likewise, simply having the capability but lacking the aspiration and the willingness to engage will not lead to success.
5. Finally, strong personal character is paramount. This means the leader is honest, not self-serving, and truthful with integrity. People want to follow whom they trust. Leaders must have a strong personal compass that keeps them heading in the right direction regardless of the temptations and the self-interested noise that may lead them off the correct path. When leaders start focusing on their own personal self-interest to the detriment of the goals of the broader organization, they lose the trust of the organization and are no longer effective. We all want to work with and for leaders whom we trust and respect. Such trust and respect is rooted in goal direction, strong intellect, strong

influence and persuasion skills, leadership commitment and aspiration as well as strong personal character.

To sum up, there are numerous definitions of effective leadership. Every leader has their own personal credo about how to lead. A simple yet profound saying, one worth remembering in the line of fire, is that “Leaders take the organization places it would otherwise not go and get people to do things they otherwise would not do.”

Despite the competing pressures from stakeholders and shareholders, an effective leader can see an organization through challenging times, ultimately paving the way towards continuous improvement while maximizing both profit and efficiency.

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STAN ASKREN




Stan Askren
Executive Advisor
Growth & Lean Practice

 Stan_askren@leanfocus.com

 (563) 299-6900

 <https://www.linkedin.com/in/stan-askren-316106181/>

 www.leanfocus.com

BACKGROUND

Mr. Askren served as the chairman of HNI from 2004 until December 31, 2018 and as CEO of HNI from 2004 until July 2018. Previously, he was the president from 2003 to April 2018, and executive vice president of HNI from 2001 to 2003. Mr. Askren had worked at HNI for 27 years, including as vice president of marketing, vice president of human resources, and as an executive vice president and president of HNI's health business segment. Mr. Askren has also worked in several industries and previously held multiple executive management and general management positions with Emerson Electric, Thomson S.A. and HNI.

Mr. Askren also serves on the board of directors of Allison Transmission Holdings, Inc., a commercial duty automatic transmission and hybrid propulsion systems manufacturer and Armstrong World Industries, a leader in the design and manufacture of innovative commercial and residential ceiling, wall and suspension system solutions. Mr. Askren formerly served on the board of directors of the Iowa Heritage Foundation, the Business and Institutional Furniture Manufacturer's Association (past chair), the Iowa Business Council (past chair) and Arctic Cat Corporation. Mr. Askren brings to our Board extensive operating, senior executive leadership, manufacturing, sales and distribution expertise, lean business expertise, as well as valuable insights from his experience as a public company chief executive officer.

Stan holds a Bachelor of Arts, from the University of Northern Iowa and an MBA from Washington University in St. Louis.

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