Leadership Is Sourced by a Commitment to Personal Development

Greg Merten

In today’s world, organizations must continually evolve to stay relevant to customer, shareholder, or constituent’s needs and remain competitive. If this evolution has not occurred, something more drastic—reinvention—is called for. An organization reinventing itself goes through a crisis in leadership from top to bottom. Because leadership is about causing change, we all need to be leaders, especially when significant change is required. Key questions for each of us are these: What changes are needed? What choices am I making in relationship to those changes? How competent am I in perceiving and delivering on those choices?

My premise is that a continuing ability to lead is sourced by an ongoing commitment to personal development. Change is too prevalent for anyone to believe that his or her position grants a license to avoid learning and developing. Learning needs to be part of the culture of all organizations at all levels; otherwise, we become misfits.

The most effective leaders have a synergistic balance of analytical skills related to IQ and to emotional skills referred to in the literature as EQ, or emotional intelligence, a measure of how capable we are in creating value in relationships with others. Peter Senge once told me that a former CEO of Royal Dutch Shell said that he considered his greatest attribute as CEO was his willingness to be vulnerable. That is an example of the value of emotional intelligence. IQ is more straightforward and measurable than EQ, which often gets a bad rap as “touche-feelie” or some other pejorative moniker. In our complex world, no one can see everything. The most accurate picture emerges from a variety of people and sources. Productive relationships with others, that is, high EQ, give access to those sources.

Dave Packard, one of the founders of Hewlett-Packard, had “11 Simple Rules,” a set of personal relationship rules that he used to become a more effective leader. They are an indication of his EQ. The rules were found in HP archives a few years ago, unfortunately, after Dave had written The HP Way.¹ In the late fifties, Dave recommended these rules to his newly appointed division managers, when the company created its first divisions, as a way they could continue their personal learning. In this masterful stroke, he communicated to the new managers that not only was it okay to keep learning about yourself on the job, but also it was critical. Even he, as the head of the company, was very deliberate about being a “work in progress.”

Our ability to learn and to adapt ourselves to changing conditions lies largely in EQ attributes. All too often, organizations focus on analytical skills while excluding EQ, which creates leaders who can analyze problems but who are ineffective at forming powerful teams to lead change. At HP, if general managers fail, it is not because they aren’t smart enough, but because they can’t lead a team effectively. In HP’s case, we have moved from a very distributed, autonomous set of businesses to one company, acting as an integrated whole. This requires a powerful blend of both analytical and emotional intelligence to create customer value in a complex organizational environment.

I have been with HP for almost 30 years, all that time in management and, more recently, in senior management. For the past 20 years, I have been involved in the explo-
sive growth of the inkjet business, probably HP’s most successful technology invention. I have spent the past 17 years in an environment of constant change, growing an organization from about 75 people in 1984 to about 10,000 people by 2000, with annual revenues growing from about $3 million in the first year to several billion dollars currently. We produce hundreds of millions of ink cartridges annually at sites we have created around the world. To maximize productivity, we have chosen to operate these sites as a single, integrated whole in a high-change, high-growth environment. The transition from a collection of silos to a “single factory” was an immense organizational challenge that took years to realize, but it has brought huge value to the bottom line.

**Genesis of the Need for Change**

Arie de Geus, in *The Living Company*, documented a study of the characteristics of a long-lived company. One is that the company is aware and responsive to the greater environment in which it operates. The digital age will break down many old structures and will function by principles more related to biology and living systems than to mechanistic principles predicated on the illusion of command and control. These changes are not just fundamental; the rate at which they occur is accelerating, rendering old methods of dealing with change inadequate, hence, HP’s need to reinvent itself from a “fiercely loyal collection of tribes” to a single integrated company.

Let me tell you a story that explains HP’s need for transformation and shows the inadequacies of old methods and organizational responses. We have sold thousands of 600 series DeskJet printers to a customer who uses them in a connected environment for which they were not designed. This caused many problems that eventually led to a meeting between HP and the customer. Eight customer representatives and 56 HP employees showed up—everyone who thought they had something to say about the matter!

The way we need to operate in order to bring value to our customers requires new levels of trust and new skill not only in relationships, but also in effective communication, in system value, and in collaboration. It also requires a new level of “it isn’t about me or my career, or my organization; it’s about the customer, the shareholder, and our fellow employees.” At HP, we relate to each other and accomplish work based on the “HP way,” a set of values and practices. I have been a serious student of the HP way for the past 10 years. When I reflected on the “11 Simple Rules” that Dave recommended to his new division managers, I realized that Dave Packard and Bill Hewlett’s relationship to each other and to personal learning is what created the HP way. If we are to preserve it, each of us needs to develop the same relationship to personal learning that Bill and Dave exemplified. We must continually recreate the HP way. When we treat the HP way as the source, as opposed to the consequence, of something more fundamental, that is, personal learning, then it devolves into a set of entitlements or empty phrases, because we don’t consider our accountability in preserving the values by practicing the behaviors. I believe this is true in any organization; capability to operate effectively must be continually recreated by employees learning about themselves, their environment, and others. This is at the heart of leadership. Relationships generate value. That is so obvious, we often miss their importance. Bill’s nephew once asked him if he and Dave ever fought. Bill answered, “No, never!” I once calculated HP’s size if it had grown at a 20% lower rate because Bill and Dave lacked a working relationship. It would have been about $12 billion, not $50 billion. If it had grown at half the historical rate, it would be about $200 million, roughly the size of Tektronix, which started about the same time!
My Development as a Leader

I would like to talk about my leadership development—my story. My goal is to change your life, not because I say anything particularly brilliant, but rather because something I say, coupled with your engagement, will change your perspective, which will change your behavior, which will change your life. Remember, we see the world not as it is, but as we are. So I ask you not to accept or reject what I say merely on the basis of what you already know, but to be open to the possibility that what you know should be discarded for something better.

During the past 20 years in HP’s inkjet business, my responsibilities have grown many times. It is unusual for someone to stay at the top of an organization in a business that is doubling roughly every two years. I credit my role as one of the vice presidents of this multibillion dollar business to my willingness to develop personally.

About 10 years ago, three events or circumstances jolted me out of avoiding personal change. The first was that my boss was going to retire in a year or two and I wanted his job. He told me I was far from a shoo-in. The business was growing rapidly, and there was concern as to whether I could provide the necessary leadership. Whoever replaced him had to be able to lead what the organization would become, not what it was at that time. Although I appreciated his candid assessment, I was intimidated by the challenge.

The second event was the loss of our third son, Scott, in a car crash in 1990. Scott, at 16, was more naturally self-confident, and therefore contributed more to others, than I was, despite my successful life. I had entered adulthood with a legacy of inaccurate self-images that did not serve me well. Like many of us, I was too insecure to take the personal risk to achieve the growth necessary for being a leader of this business. I was standing still and not reinventing who I was in relationship to other people. Scott was the kind of person who inspired me to challenge that.

Third, I could see that I was not smart enough and did not have enough time to manage, as in “control,” an organization that would grow to 10,000 people. They would be people of European, Asian, Latin American, and US cultures who had to work closely together in a high-tech, high-change environment to achieve the required growth. Sites like these often become destructively competitive, as a matter of local survival. HP could not prosper in that kind of environment. I understood I could be successful only if I became more a leader and less a manager. We lead out of who we are, and I needed to become what the organization needed. I needed to lead an organization as a system in which the component parts act locally in an empowered way that is coherent with the larger organization’s primary objectives. Having all information and decisions come back to the top in a large, distributed, changing environment would cripple our effectiveness.

In On Becoming a Leader, Warren Bennis, after shadowing leaders in many different venues, found a common trait—leaders learn from the experiences life brings. How simple! It sounds like EQ again. Arie de Geus describes the research of Wilhelm Stern, a psychologist, who coined the word introception, which conveys a similar idea. The Chilean biologist, Humberto Maturana, says that reflection is the biological way of learning; that is, we learn capability only through experience that we become aware of. In The Inner Work of Leaders, Barbara Mackoff and Gary Wenet state, “Leadership is not a role; it is a habit of mind—a point of view developed by creating meaning from experiences of a lifetime.” My favorite definition of leadership is Peter Senge’s:

Leadership is about creating a domain in which human beings continually deepen their understanding of reality and become more capable of participating in the unfolding of the world. Ultimately, leadership is about creating new realities.

This definition implies discovery rather than adopting the hubris of “ordaining” what is reality. While this is clear in the physical world (we cannot make inkjet cartridges while violating the laws of Mother Nature), we often act as if we can decide what works in the social world, rather than discovering and abiding by laws in that arena as well. We gain new perspectives by continually learning about ourselves at the intersection of others’ intentions, life principles, and circumstances.
Changes I Needed to Make

So how did I need to change?

I needed to be vulnerable in order to create trusting relationships. If you reflect on it, you realize your most powerful relationships are those in which you are the most exposed. For example, I took a risk once to compliment one of my boss’s peers on something I respected him for. After an embarrassed thanks, he then surprised me by launching into a several-minute discussion on how much he had learned about my operations function in his new role as a general manager, what a challenging job it was, and how much he respected what I was accomplishing. We created a relationship in that brief interchange that lasts to this day.

I needed to quit competing with people. That kind of competition arises from insecurity and says that your gain is my loss. For example, we got a new comptroller years ago who took me off the financial-report distribution. I chose to take offense, perceiving this as a snub. He had no such intention.

I needed to learn how to collaborate more effectively. In an earlier role, I had done little to create collaborative value. I had a competitive win-lose view of the world. A peer told our boss he would not work with me anymore. He was surprised when the boss told him he could leave, instead of me. But I was part of the problem as well. Being right, and alienating, destroys rather than creates value.

I needed to become a more effective communicator to solve problems. I could tell many stories about communications breakdowns. I remember once listening so well that I was hearing a peer’s sentences for him, only to discover that I was really listening for confirmation of what I already knew, rather than for what he might contribute. Another time, we had an issue that took too long to address, partly because people at different sites were taking offense as they accused each other and defended their positions. This experience prompted me to take the management team through training in a communication model that accelerates resolution, which has had a huge impact on results.

I needed to learn how to build more powerful relationships that would withstand the challenges of failure and problems and not break down when they were needed. For example, I have successfully solved difficult personnel situations with my direct reports because I have a strong relationship with each. They are firmly convinced I am committed to their success and to the success of the organization.

I needed to learn how to create an environment in which people would take a risk to accomplish the seemingly impossible. I needed to help them believe in themselves more fully so they would take on such risk, while knowing they were not yet competent! In the early nineties, we deliberately chose to create an organization that encouraged and sponsored personal development as a critical ingredient in our ability to meet increasing demands of growth. Among other things, we offered an introspective course in leadership to all employees. I introduced most of the courses so the participants could see the explicit connection I was making between operational results and personal development.

I personally needed to take more risk so I could contribute to the organization and to others. In short, I needed to become the change I wanted to see in the organization, to paraphrase Gandhi. My talk here is an outgrowth of my taking personal risk and sharing some lessons I have learned in the advanced development training groups at HP. I invited myself to speak to high-potential middle managers about leadership.

I needed to change myself to change things “out there.” I’ve realized that if something is not working, I need to change the way I look at it—my paradigm or structure of interpretation—in order to have a different impact. For example, from a manufacturing standpoint, my organization is pretty unique in HP. Contract manufacturing strategies that were applied in other parts of the company were not as applicable to my operations, although there was little acknowledgment of those differences. So I appeared defensive by not supporting those strategies. I had to change from feeling as if “they just don’t get it” to finding a way they could see the differences, while also seeing something new myself. In that willingness to take a different view, we realized that we had insufficient credibility.

I personally needed to take more risk so I could contribute to the organization and to others.
as a management team for others to accept our strategies, but that we could establish credibility if we had a consultant confirm the distinctions of our strategy. I had to be willing to acquire a different viewpoint in order to progress.

How to Change

The question in front of me, and you, is how am I going to learn? How am I going to become a leader who is continually reinventing myself so that my best days are ahead of me? How can I become a leader who gets consistently great results? I will share with you what I have been doing, but you must find your own way, what works for you. At a minimum, I believe you must gain access to new distinctions that you don’t currently possess, and you must relate those distinctions to your circumstances and behaviors through reflection.

My journey started with a leadership seminar I attended with coworkers shortly after our son’s death. It gave me insight into how my self-image was not serving me well. I thought a lot less of myself than others thought of me. Do any of you perhaps struggle with that? It became clear that I needed to stop protecting my insecurities and contribute more effectively to others. In short, I had a lot of talent I was not using.

We formed a developmental group, which consisted primarily of my staff and me, that met one day every month or so with two coaches to address personal growth, team effectiveness, and leadership. We used current issues in the business as examples and worked on how we could change to have more impact on the business. This was a great learning experience.

I started reading a lot more. I’ve read more than 80 books (I travel frequently) in the past several years on philosophy, biography, culture, business, economics, religion, history, and so on. Each book has contributed to my life and to my job. If we are not gaining access to new ideas, especially outside our disciplines, we are likely to be stale thinkers, and our creativity will be greatly limited.

Finally, I spend more time learning from my experiences. I reflect on most of my conversations to learn what went well, what didn’t, and how I could listen and speak differently the next time. I look both for things I might have said and didn’t, and for ways I could have said something more effectively. I have never failed to learn something from these reflections. Don’t we all do this? No! Think, for example, of Archie Bunker, the quintessential nonreflective person who knows everything and therefore learns nothing. The more we reflect, the more we increase our ability to act rather than to react.

What Am I Learning?

I am learning that a willingness to be vulnerable arises out of strength, not weakness. We protect ourselves out of fear, not confidence. And if we want those around us to learn, then we must be learning as well. A second-level manager told me that he saw me as vulnerable enough to be willing to be changed by him. That’s very powerful.

I am learning that conversations, which accelerate resolution, follow certain principles. When we don’t observe them, we make decisions slowly or not at all.

I am learning that trust based on mutual commitment and performance, not the expectations of others, determines both the size of the shared endeavor and its likely outcome. It is a mistaken notion that the highest performance arises from the boss’s demands or expectations. People who are allowed to contribute to planning become more committed, and the solutions are more creative. The commitment of our selves is far more powerful than the expectations of others.

I am learning that forgiveness—letting go—is essential to personal and organizational health and effectiveness. If we don’t forgive, we become tied to the past in a way that prevents us from being coherent with the present, which greatly limits our future. Renewing relationships, which often takes forgiveness, is critical to achieving and sustaining results.

I am learning that as a leader my vision of the organization is critical, but insufficient, that my perspective is both my greatest leadership asset and my greatest limiter, and that I’m always on stage, with an ever-present opportunity to contribute. One of my metaphors
for leadership is what I call the wagon wheel. The boss is the hub, the spokes are the staff or direct reports, and the rim is the quality of relationship and conversation among the staff members. If all decisions have to go through the hub because the peers cannot solve problems among themselves, then the organization’s capacity to create value is limited by the brilliance, or lack thereof, of the boss and his or her availability. This does not result in the highest performing team. To create a “rim” conversation, the boss must be intentional about what comes to the hub and what gets solved by peers. Relationships must be cultivated and reinforced. For example, my staff from around the world recently met in London without me—the boss—to solve a thorny, controversial problem. They could do so because we have created the rim conversation. They also didn’t want to come home without accomplishing the task, and the meeting was a success.

I am learning that people don’t resist change; they resist being put at risk unilaterally. I must involve people and help them see their future in the change if I want it to occur effectively and quickly. And I must change myself or ossify.

I am learning that creating mutual conversations of possibility and integration is much more likely to lead to success than conversations of no possibility and disintegration. We often destroy what someone just said in order to make room for what we want to say. That destroys integration or synergy.

I am learning to learn from my experiences. It’s easier to see the foibles of others than my own. Years ago, my boss Gary Egan wanted to reorganize in anticipation of the next wave of growth by trisecting my organization and giving me one of the three parts. I resisted this change because I thought it threatened my selection as Gary’s replacement when he retired. Gary and I talked about this, but reached no shared understanding. He told me that it was important that I have my career inside the company and not vice versa. I replied, “Right, I agree,” not understanding what he was trying to tell me. My concerns were about my career, not what was best for the company. After the second discussion, which still didn’t accomplish much, Gary summarized his position in a letter, which I took with me as I left for Singapore the next day. On that long flight, as I was reflecting on my response, I had an epiphany that illuminated how obtuse I was being. I had restructured organizations several times and expected others to understand and sign up, yet when it happened to me, I resisted it. I was embarrassed and chagrined. I wrote Gary a letter apologizing for my behavior and offering my unconditional support for what he was doing. Owning my misbehavior and giving support allowed me the confidence I needed to improve my effectiveness with his boss, which resulted in my being chosen to succeed Gary when he retired.

Conclusion

These past several years have been thrilling and rewarding. My career and contributions far exceeded my anticipations. I left a high-level job in the San Francisco Bay area so our family could move back to Oregon. I took on the management of a much smaller manufacturing organization than I had had in California, but it was in the area in which the inkjet product would be manufactured if it were successful. So, I was fortunate to hook up with a winner, but I also was willing to take a lot of risk and to change personally so I could keep pace with the growth of the business. We have had extraordinary results in many different areas, including growth, margin improvement, change management, system solutions, employee satisfaction, and productivity. We could not have done it without focusing on sharpening the saw, even when it seemed we didn’t have the time. It has been a rare, incredible experience for which I am deeply grateful.

Finally, I am learning very profoundly that life is about growth and change. Stasis is an illusory, ultimately disappointing hope. If you are to lead the change required, first change yourselves. A favorite quote of mine is from W.H. Murray of the Scottish Himalayan Expedition:

> Until one is committed there is always hesitancy, the chance to draw back, always ineffectiveness. Concerning all acts of initiative (and creation), there is one elementary truth, the ignorance of which kills countless ideas and splendid plans; that the moment one definitely commits oneself, then providence moves too.
All sorts of things occur to help one that would never otherwise have occurred. A whole stream of events issues from the decision, raising in one’s favor all manner of unforeseen incidents and meetings and material assistance, which no man could have dreamt would have come his way. I have learned a great respect for one of Goethe’s couplets: “Whatever you can do, or dream you can, begin it. Boldness has genius, power and magic in it.”

Another favorite quotation, by Marianne Williamson, was used by Nelson Mandela in his inaugural speech:

Our deepest fear is not that we are inadequate; our deepest fear is that we are powerful beyond measure. It is our light, not our darkness, that most frightens us.

We ask ourselves, who am I to be brilliant, gorgeous, talented, and fabulous?

Actually, who are you not to be? You are a child of God. Your playing small doesn’t serve the world. There’s nothing enlightened about shrinking so that other people won’t feel insecure around you.

We are born to make manifest the glory of God that is within us. It is not just in some of us; it’s in everyone. And as we let our own light shine, we unconsciously give others permission to do the same. As we are liberated from our own fear, our presence automatically liberates others.

*Remember, we see the world not as it is, but as we are.*

Acknowledgment

This article is derived from a speech Greg Merten gave at the National Security Agency on June 12, 2001, in Baltimore.

Notes

4. de Geus, op. cit.

Commentary

*by Dennis Sandow*

We use the term *leadership* in many ways. Mostly, we use it to refer to the position of senior executives. This positional definition implies that only those close to the top of the organizational chart have leadership potential. Merten redefines leadership from a *position* to a *distributed function* so “all of us need to be leaders, especially when large-scale change is required.”

Chilean biologist Humberto Maturana has written that love (the legitimacy of one by another) is the only emotion that leads to intelligent action and expansion of vision. We are emotional beings following the path of our desires (Maturana and Bunnell, 1999). Intertwining EQ with leadership, Merten points out the necessity of positional leaders to demonstrate their vulnerabilities. This might conflict with our image of the leader as strong and invincible, but are we not ready to discard the Marlboro Man as our icon of leadership? It is precisely Merten’s willingness to express his vulnerability that allows others in his organization to lead.

Merten reminds us that Packard’s “11 Simple Rules” are not about electronics, manufacturing, technology, or finance but about the quality of relationships. We live our lives through social rela-
tions, and Merten has renewed the relational imperative. Social, biological, and financial well-being cannot be improved without first attending to the quality of relationships in organizations. In this lies a powerful rule that Merten exemplifies—the quality of relations cannot be taught or trained; it can only be accepted or denied by each of us in our personal development.

Merten gives tremendous insights into social capital or the potential productivity of a group or social network. This productivity can be augmented or diminished. The inkjet business is a grand demonstration of social capital improvement, or as Merten says, “Relationships generate value.” His basic principles of organization come from biology and living systems, not mechanical engineering. He reminds us that our organizations are composed of dynamic and self-organizing social networks that adapt to a continuously changing environment in order to generate value.

These are but a few of the rich insights in this article. Perhaps the most significant breakthrough is the speech itself. Merten does not write about “steps,” “models,” or other transcendent conceptions. His brilliant insight is that living systems cannot be decomposed into a fixed set of attributes. Instead, he writes about the experiences of daily life. I find this scientifically congruent with the history of learning organizations and an important reminder.

Reference

Commentary
by Nick Zeniuk
Merten reflects on a “different kind of leadership” that is rooted in “living systems rather than mechanistic principles,” that finds its strength in “willingness to be vulnerable,” and that is willing to “listen to the others.” For Merten, it was a personal journey of learning from the “experiences life brings us” and learning about the choices we continually make in our careers, family, and community. To become that leader, we each need to change our “structure of interpretation . . . to gain access to new distinctions” by learning “about ourselves at the intersection with others’ intentions.” Merten’s words flow like poetry from Humberto Maturana’s inspiration. He realizes that “relationships generate value” and “meaning from the experience of life.”

Merten has demonstrated his leadership perspective by growing the most profitable division at Hewlett-Packard. He has engaged with the work force in collaborative reflection on the work and created an enabling environment for performance improvement.

We can reflect on this as concepts of a different kind of leadership or, as Merten suggests, we can live it in our life’s work. Is there a choice?

Commentary
by Edgar H. Schein

Among change theory principles, one that always is “discovered” to be universally true is that, if you want to influence someone else, you must be willing to be influenced yourself. How many leaders, consultants, salespeople, teachers, and others who purport to be change agents have failed utterly because they were not willing to be influenced, even to the extent of slightly modifying their perceptions of who their followers, clients, customers, or students were and what their needs were? One way to capture this is to assert that “you will never change someone until he or she becomes your client and seeks something from you.” Great leaders understand this; hence, making themselves vulnerable is not a choice but a necessity.