Why Leadership Is The Most Dangerous Idea in American Business

If you're an entrepreneur, almost everything about "leadership" as we know it is bad for you. But there's another way to lead. Here are the rules.
From: [Inc. Magazine, June 2003](#) | **By:** Michael S. Hopkins
Maybe you've noticed: Never in the history of management science has leadership been more studied, worried over, theorized about, and debated than right now -- not least because for two years the world has supplied leaders-in-training with a (mostly unhappy) curriculum. The stock bubble collapsed. The economy soured. September 11 came and begat whole new anxieties that prompted unprecedented questioning about vocational life and leadership in communities of every kind. Corporate scandals and greed brought CEO reputations low and raised ethics concerns high. And now Iraq.

Throughout the contentious diplomatic run-up and then during the conflict itself, leaders were dissected everywhere. You'll recall the stories. Bush the autocratic unilateralist vs. Blair the participative consensualist. Rumsfeld vs. the generals. Churchill circa 1942 vs. all of the above (an op-ed smackdown that somehow Winny always wins). By the time this is published, there will have been more stories: How to lead. How we're being led. How we want to be led. The world's curriculum, like it or not, is rich with object lessons.

The problem is that, for entrepreneurs, those lessons are all wrong. Not because they're necessarily bad in themselves, but because they're all to do with the wrong kind of leadership. Almost the entire fevered leadership discussion of the moment is focused on one broad category of the art. Call it "charismatic" leadership, the label most often used by academics and experts (you'll hear it called "heroic" or "inspirational" leadership too). Please note that the practitioners of charismatic leadership don't actually have to be charismatic themselves. In

fact, plenty of charismatic-style leaders are vibrant as brick (think Bill Gates). It's the approach -- the system -- that matters. And you'll find it in nearly every tiny business as well as most big ones. The charismatic approach is in play (whatever the personality of the organization's leader) as long as an organization is set up to be fueled by the personal energy and vision of a single individual, a larger-than-life figure. Charismatic leadership is leadership attempted or executed by force of personality and inspiration. It's the kind in which the leader is counted on to be tireless, indomitable, never out of answers. Do you know any companies like that? Thought you might.

Every seasoned *Inc.* writer certainly does. And we've seen what happens to such leaders -- successful ones, even. We've seen the high-flown founder who grew so sapped and fat that he couldn't take an evening stroll without stopping every block to rest. We've seen the natural toothpaste entrepreneur who lost himself and left for divinity school in desperation. And we've seen many versions of Jan Pringle.

But that's what charismatic leadership does in private businesses. It eats its young. It demands of leaders far more than it gives back. For entrepreneurs, it's toxic.

Pringle was the co-founder and charismatic leader of a successful Atlanta ad agency in the '90s when, as in all these stories, something changed. As writer Liz Conlin reported at the time, it was 10 o'clock on a brisk November night when Pringle, then 47, found herself sitting at her desk, staring at the wall in front of her. The late hour was typical. For 20 years she'd regularly clocked 12-hour days, six days a week. She had a presentation due in the morning for one of the biggest radio stations in town. The yearly budgets for two of her largest customers were due. She had 10 client meetings in the next five days.

But that night all she could do was stare at the wall. She couldn't get up, she couldn't leave her desk, she couldn't call for help. Her husband and the company's co-founder, Jim, innocently phoned to ask when she'd be home. "I can't come home...," she mumbled. "I can't leave." The next thing she

remembers, her teenage son appeared at the door, physically pried her away, and helped her home.

After testing at the hospital, doctors concluded that Pringle suffered from a disorder aggravated by stress and that she would need to take an extended leave of absence from her company. Back at home, she lay down on the living-room couch and thought to herself, "I just want to die."

Pringle, thankfully, regained her footing and eventually rejoined her business, running it side by side with her husband. She groped her way toward changes in her workstyle and way of leading, and PDP carried on for another half-decade until she and Jim sold it and, in 2000, left for a new life on Fripp Island in South Carolina -- "a happy ending," Pringle says today. "No, make that 'a happy stopping off point' on the journey." She doesn't want to talk about PDP anymore. The point of the story is that Pringle was a star. She *was* her company -- its face, its voice. She could solve any problem. She could get anything done. She was superwoman, and that's how people responded to her. Not only did she lead her company in the charismatic manner, she actually was charismatic herself. And it sabotaged her -- and her business, too.

But that's what charismatic leadership does in private businesses. It eats its young. It demands of leaders far more than it gives back. For entrepreneurs, it's toxic. Watch it at work in an entrepreneurial business, and you begin to see why so many company builders find it so hard to get their organizations to get things done -- even the most mundane things. Why they too often feel they should have more to show for their efforts at the end of the day, month, quarter, or year. A bigger impact. An impact, they might say, at least as big as the heart and soul they invest.

In organizations and institutions of a different type -- a national government, say, or a large corporation beholden to shareholders, or a social movement -- the charismatic/heroic design may be what's called for. Maybe their leaders are wise to sometimes adopt the charismatic role. But company owners are different. They created their organizations. They chose to be where they are for different

reasons. They hope to stay there longer. Their well-being -- psychic and physical -- is more indispensable to their organizations' health.

In the great debate about leadership, though, the world hardly cares about such differences. An entrepreneur could be pardoned for thinking the charismatic/heroic style is the only model. Pretty much the whole of Western culture tells him so. There is, however, another way to lead, one that's perfectly suited to the challenges and opportunities confronting the creators of private companies. Call it "antiheroic" leadership.

What's good for the leader?

Most public discussions about leadership are launched by the wrong question: What kind of leadership, ask the thinkers and observers, works best for the organization (or institution, or government)? Meaning, what kind of leadership produces the best results? What kind of leadership is good for the business? But the question that a business founder should ask is: What kind of leadership is good for the leader?

The question is different because, in the case of a private company, the needs and aims of the leader are different, as are the requirements made of him or her. For one thing, the point of most new businesses is to foster the life the founder wants. (Think how different this is from the situation in which the President of the United States finds himself, or for that matter the CEO of GE.) While nothing has reshaped corporate leadership in the past two decades more than the ascendance of shareholder value as the driving force in business, in a closely held private company the leader is the shareholder. This has the twin consequences of both relegating concerns about financial performance to one person and at the same time offering that person the chance to disregard those concerns almost entirely. If you start a business to be happy (by whatever definition), then finding a way to run it that makes you happy is the point. That means finding a way of leading it that doesn't demand more than it gives back in return, that doesn't lead to burnout, or unfulfillment, or alienation, or drift.

For another thing, it can be argued that in a private company what's best for the founder/leader turns out to be what's best for the organization as a whole. In such companies the founder, after all, is almost always the organization's key asset and contributor, the most indispensable piece of the puzzle; why wouldn't an organization want to do everything it could to nurture, protect, and maintain its most valuable asset? Plus, unlike elected leaders with their circumscribed terms and Fortune 500 CEOs with their ever-shrinking job tenures, entrepreneurs typically hope to stick around. They hope to achieve and enjoy the imagined life they set out to make real and to reap the recurring rewards (psychic, material, logistical, social) they set out to earn. Entrepreneurs hope to last, and they need a leadership style that enables them to do so. They need a leadership style that feeds them. And their organizations need a style that feeds them, too.

The idea of "antiheroic" leadership has emerged in parts, by accretion, over recent years -- each aspect the product of some entrepreneur's or theorist's small response to requirements and desires that charismatic leadership didn't meet. As a whole the idea is still taking form. For now, though, the best way to describe what antiheroic leadership is -- and how to practice it -- is to describe the four rules that guide leaders putting it to use:

Antihero's Rule No. 1:

Ask why you're here. Know what you want. Don't apologize.

The antiheroic organization isn't about you, its leader (see Rule No. 3, below). But it is *for* you, and you should act on the distinction. "The sole reason for your company to exist is to meet your needs," says Lanny Goodman, the country's best thinker on this aspect of leadership.

Goodman, a serial entrepreneur who for two decades has headed Management Technologies Inc., an Albuquerque-based consultancy to private business owners, argues that nothing nourishes a company as much as aligning its business aims with its owner's personal aims. But his more profound point is that nourishing the company is the wrong primary goal in the first place. "The founder's first obligation is to himself or herself," Goodman says. "Part of what

people don't get is that if that obligation isn't satisfied, none of the others [to customers, employees, and so on] can be satisfied, either. Not really. Not over time."

Goodman recommends that business owners ask -- and act on the answers to -- four basic questions: What do I need and want out of life? How can my company help me accomplish that? What would such a company look like? And how do we get it to look like that?

But aren't company owners already better than most of us at taking care of their own interests? "Absolutely not," Goodman says. "They're horrible at it. Listen to what they say even if they do think they have conscious plans and goals: 'I want to grow 10% a year.' 'I want to take the company to the next level.' By the time a company establishes it can survive, most founders are so used to being reactive that it doesn't occur to them to reflect on their own. Plus, we're taught the company has a life of its own and we're all there to serve it. We're taught to be good soldiers -- to sacrifice ourselves.

"When your company doesn't fulfill your needs first, everything unravels. Either the business will just fall apart or you'll wind up with this sick, co-dependent, very toxic environment. The company won't support your life on any level. And if it's not life-supporting, why bother? There are so many other ways to make a living in this world."

The antiheroic way of leading has nothing to do with being infallible or superhuman or invulnerable or dauntless. It has to do with being true, the root of trust.

Unembarrassed honesty about one's own personal needs, wants, and -- as we'll see -- capabilities is the bedrock that antiheroic leadership is built on. It promotes in its practitioner three surprising and powerful qualities: authenticity, generosity, and a nascent potential for creating a sense of meaning.

"The opportunity that exists for entrepreneurs more than anything else is to create really human environments," Goodman explains. "Because a sense of meaning is so much more important than money. Ultimately, it puts us in a

position where we are better able to serve. Because when we're emotionally bankrupt by virtue of having burned ourselves out, then we have nothing to give. On the other hand, when our hearts are full, and our lives are full, and we've learned to exercise our own highest capabilities, then we give at such bigger, more powerful levels."

So the antiheroic leader begins by taking stock -- by understanding his or her own dreams and imagining the kind of company that can help realize them, by assessing and accepting his or her own strengths and weaknesses, by respecting his or her own needs. Note how little this sounds like the charismatic leaders described by the sociologist Max Weber, people "endowed with supernatural, superhuman, or at least exceptional powers ... [people] regarded as divine." The antiheroic stance, far from the one that the Jan Pringles of the entrepreneurial world thought they had to maintain, has nothing to do with being infallible or superhuman or invulnerable or dauntless. It has to do with being true, the root of trust.

Antihero's Rule No. 2:

Don't ask "How?" Ask "Who?" Assume you're not the answer.

Once visited by an idea, what most of us do next is ask "How?" How can I (or we) get this thing done? We begin assessing what it would take to turn the idea into something real. We refer to the informal stage of that process as thinking and to the formal stage as planning. Many times we get overwhelmed. (All those details to handle! All that know-how required!) And we conclude, not unreasonably, that our idea can't be done. Or if it can be done, then usually the personal price paid by the leader -- the knower of the answers -- will be high.

But what if, instead, the leader presumes he or she can't do anything, at least not as well as someone else, and definitely not on one's own. The antiheroic leader, instead of considering for a moment that he or she might be the person to execute the plans or projects that arise in the course of business, always assumes there's a better option. Instead of asking, "How can I do that?" the

antiheroic leader asks "Who can do that?" "Who knows how to do that?" "Who can help me get that done?"

Management analyst Jim Collins (author of *Built to Last* and *Good to Great: Why Some Companies Make the Leap ... and Others Don't*) approaches the idea slightly differently. Likening the leader of an organization to the driver of a bus, Collins says that the bus driver's job is not to decide where the bus should go or how to drive it there, but to get the right people on the bus in the first place -- as well as to get the wrong people off the bus, and ultimately to get the right people into the right seats. The right people then will help the leader figure out where to drive and how to drive there. What's more, the right people will attract other right people and inspire them to stick around, diminishing the burden and anxiety felt by leaders who are in the position of having to beguile their flock by themselves. By observing the who-not-how rule, the antiheroic leader is liberated to imagine. Since you don't assume you're the one who's going to have to do things -- or even that you're the one who has to know how to do things -- you're not limited to considering only the things you know you can do. Start thinking Who?, and the results are exponentially reinforcing: Once you find you can make things happen that you couldn't dream of doing yourself, you believe you can do anything. And so does everyone in or involved with your company, each of them able to see that the possibilities aren't bounded by their own know-how or even their leader's. In the late '90s, a custom software/rent-a-programmer company called PRT accomplished the astonishing feat of inventing the perfect "near-shore" programming nation. Like the rest of the U.S. custom software industry, PRT was handicapped by a severe programmer shortage; there were too few engineers to handle the contracts it was getting. There was no way to bring enough engineers to the States or to outflank the problem by outsourcing to places such as India (though PRT tried), which turned out to be too far away to do collaborative work effectively. So Doug Mellinger, the company's 30-year-old CEO, dreamed up the idea of building PRT's own ideal programming community outside the country but

nearby (same time zone, manageable plane trip). Which is what Manhattan-based PRT did on the Caribbean island of Barbados.

There, PRT imported hundreds of programmers from 19 nations. It brought customers from Manhattan and elsewhere. It imported capital and built infrastructure. It established a partnership with the island itself that ultimately suggested how a tiny developing nation could leapfrog right over the industrial stage of economic evolution into a global, technology-based, knowledge-driven future. The company exploded with life, staged a successful IPO, and grew. Later it would trip by mishandling the pressures of the public markets (antiheroic leadership is complicated by public ownership because of the primacy of shareholder interests), but what it accomplished before that is astounding. And most astounding is that Mellinger, the founder, knew how to accomplish none of it. Mellinger couldn't even write code. He didn't know how to build digital communications lines or construct a 21st-century company town or personally select top engineers from across the globe and persuade them to transplant their lives. It didn't matter. What he did was ceaselessly seek out people who did know how to do these things -- whether they were inside PRT or outside. And the right people wound up on the bus.

The moral? Sometimes -- often -- an antiheroic leader gets to be carried along for the ride. And as a result, the ride can visit places the leader wasn't even capable of picturing.

Antihero's Rule No. 3:

Embrace the difference between "I am my company" and "I have a company."

What this rule amounts to is: Make room. In order for the who-not-how discipline to work, and for the earned authenticity of Rule No. 1 to have its effect, an organization has to have space for others. Even though a company must first satisfy the needs of its owner, an antiheroic leader never behaves as though he or she is the company's face, voice, or embodiment.

In an antiheroic organization, the company can be about something more than the charismatic hero, more even than the hero's "vision" for it. The leader and the

company aren't one and the same. The antiheroic leader -- who is guided by who-not-how and is always inviting others to take their turns leading -- makes room for others to feel proprietary about what the company is. That encourages people to imagine meaningful ways they can help form the vision and make it real. They see an unusual chance to have an impact.

An antiheroic organization, as a result, is able to enlist contributions from people who would never involve themselves with charismatic organizations because they would never be interested in an enterprise whose direction they couldn't affect. By making room for them, you attract people who aren't followers, who aren't looking for the kind of leader who will save them from the anxiety of responsibility.

Instead of the parent-child relationship that exists between charismatic leaders and their followers, the antiheroic leader ends up with an organization of adults.

Antihero's Rule No. 4:

Forget superman. Be a part of something.

And finally, here's the command to resist emotional temptation -- because the adulation that comes with leading charismatically is seductive. And when you stop building a charismatic/heroic organization, what you will lose is easy to see: You don't get to be a hero anymore. You'll lose something else, too, though. You'll lose your isolation.

Doug Mellinger, the PRT founder, in telling the story of his conversion epiphany, describes how he's come to wonder why anybody would want it the charismatic hero way. "I've had that feeling -- of being the guy whose desk everything ends up on," he said. "It was horrible. Every morning I'd wake up and pray that somebody out there would save my ass. And I said to myself, 'I can't live like this.' And then I realized" -- he slowed down his narration here, lowered his voice for emphasis -- *"I don't have to.*

"Forget the hero stuff," Mellinger said. "I don't want a hero mentality anywhere in our business -- anywhere in my life. Everybody thinks you have to be a hero to

build something. Bull. Do it together. Ask the right questions. Stuff doesn't have to be so hard."

If what you lose is obvious, then so is what you gain: Give up being a hero and, suddenly, you don't always have to perform like one anymore. Not only don't you have to supply all the momentum, all the know-how, all the emotion, you also don't have to fear that if you stop, so will everything else. When it's all about you -- the cult of the charismatic CEO -- you're separated from others. Being a hero is lonely. As an antihero, you get to be a part of what you've created. You get to be fed. At a time in American life when it may be what people crave as much as anything, you get to be part of a community.

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Are Bush and Chirac More Alike Than They Realize?

By Sasha Issenberg

In the struggle for George W. Bush's soul, where Crawford, Texas, and the Ivy League are his yin and yang, the greatest contradiction is not that he likes both to clear brush and to toss horseshoes. As a wartime president, he has been able to make decisions that look cowboy -- strong-willed, forceful, go-it-alone -- but that are informed by corporate leadership techniques likely picked up as a Harvard M.B.A. "He has been decisive and clear," says James O'Toole, professor of leadership at USC. "Bush has not been paralyzed. His administration is very good at the big, bold action."

Along with the television pundits, management experts, too, pay close attention to how those in charge behave in wartime. What they see suggests that, despite the different demands of leadership in government and business, there may be something to learn from the styles of Bush, Blair, Chirac -- and perhaps even Hussein.

Jeffrey Sonnenfeld of the Yale School of Management gives Bush an A+ for "thoughtful risk-taking" -- "unlike the grades he got when he was back here on campus." Bush, however, gets a C from Sonnenfeld for his ability to set expectations and criticism of his use of personal dynamism: "A trip to the Azores was hardly global outreach."

British Prime Minister Tony Blair is the only wartime leader who defied public opinion at home, which made his arguments most credible. "Blair showed incredible honesty and integrity," says Sonnenfeld. "It's amazing how he put his own self-interest in jeopardy." The suspicions about what was really driving French President Jacques Chirac -- business ties with Iraq? a political appeal to anti-American attitudes? -- were evidence that he was not being straightforward about his motivations, says Harvard Business School professor Abraham Zaleznik. Plus, there is a danger when boldness becomes narrow-minded stubbornness. "The lesson from Chirac," says O'Toole, "is that it is dangerous to believe that you're right. [Leadership] requires humility and a willingness to understand that there are two sides to every issue. There is a lot of George Bush in Chirac and a lot of Chirac in Bush."

Instead of dismissing his critics, Blair engaged them -- in particular, Sonnenfeld notes, by "seeking out an audience on television with hostile interviewers to vent the worst of it." Says O'Toole: "Showing respect for people who disagree with you is important -- you really want to encourage healthy dissent." You also want to offer convincing visions of the future. "Bush didn't talk enough about what a free country could mean," says Sonnenfeld. Nor did Chirac offer a vision. "Rather than offering an alternative, he was essentially in denial of the problem," Sonnenfeld says.

It is, of course, too late for Saddam Hussein to learn from his mistakes. "He gave the appearance of being a good communicator," says O'Toole, "but it depended on force. In any organization, you can force people to comply, but that doesn't mean they really buy into it."