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MANAGING YOURSELF

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Some leaders drain all the intelligence and capability out of their teams. Because they need to be the smartest, most capable person in the room, these managers often shut down the smarts of others, ultimately stifling the flow of ideas. You know these people, because you've worked for and with them.

Consider the senior vice president of marketing who, week after week, suggests new targets and campaigns for your team—forcing you to scurry to keep up with her thinking rather than think for yourself and contribute your own ideas. Or, the vice president of product development who, despite having more than 4,000 top-notch software engineers on staff, admits that he listens to only a couple of people at development meetings, claiming "no one else really has anything much to offer." These leaders—we call them "diminishers"—underutilize people and leave creativity and talent on the table.

At the other extreme are leaders who, as capable as they are, care less about flaunting their own IQs and more about fostering a culture of intelligence in their organizations. Under the leadership of these "multipliers," employees don't just feel smarter, they become smarter. One example is K.R. Sridhar, a renowned scientist and the CEO of Bloom Energy, a green-tech firm. Sridhar recruits elite talent but is careful not to cultivate prima donnas, who might dominate the team's thinking. When one of his star scientists began relentlessly pushing his own ideas, even handing Sridhar an ultimatum, the CEO chose to place his bets on the team, even though his decision might jeopardize the next product launch. After the loss of this seemingly critical player, the rest of the team rallied, quickly learned new technologies, and successfully hit the release date.

Although working for multipliers like Sridhar feels great, these leaders aren't feel-good types; they have a hard edge. They expect stellar performance from employees and drive individuals to achieve extraordinary results.

How do we know this? Several years ago, we embarked on a study to answer the following questions: What are the differences between leaders who multiply intelligence among their employees and those who diminish it, and what impact do they have on the organization? We interviewed senior professionals in industries in which organizational intelligence is a competitive advantage—for instance, IT, health care, and biotech. We asked them to identify two leaders they'd encountered in their careers: one they felt had diminished their intelligence and capabilities and one who had multiplied them. We then studied more than 150 of those selected leaders in more than 35 companies, spanning four continents. We conducted intensive 360-degree analyses of many of these leaders' behaviors and practices.

We found several critical differences in mind-set between the two types of leaders. The diminisher's view of intelligence is based on elitism, scarcity, and stasis: That is, you won't find high levels of brainpower everywhere, in everyone, and if your employees don't get it now, they never will. The multiplier's view, meanwhile, is much less cut-and-dried. This type of manager believes smarts are ever evolving and can be cultivated. The critical question for these leaders is not "Is this person smart?" but rather "In what ways is this person smart?" The job, as the multiplier sees it, is to bring the right people together in an environment that unleashes their best thinking—and then stay out of the way.

Getting the most from your team is important all the time; but when the economy is weak, it's even more critical. You can't solve talent problems by throwing money at them, swapping in "better" talent at higher salaries. No doubt your employees are stretched tight, but many of your top performers would probably admit to feeling underutilized. Their workloads may be at capacity, but they're sitting on a stockpile of untapped—or, even worse, thwarted—ideas, skills, and interests.

So while you may think you can't ask for more from your people in these tumultuous times, it turns out you can. But only if you are willing to shift the responsibility for thinking from yourself to your employees. Our research suggests you can get much more from your team (even twice as much), without adding resources or overhead, if you lead like a multiplier—something you can achieve no matter where you are on the spectrum of leadership styles.

What Multipliers Do Differently

Our studies of the leaders identified as multipliers revealed some of the unique ways they build collective, viral intelligence in teams. Specifically, multipliers manage five areas—talent, culture, strategy, decision making, and execution—much differently than their less-enlightened colleagues (the diminishers).

Managing talent. In any organization, there are some leaders who are good at inducing top-tier performers to join the fold. But what's their purpose in bringing in new blood? More important, are they getting the most they can from these hires? Diminishers tend to focus on the act of recruiting and displaying their new resources and less so on how to develop and use that talent.

Multipliers, meanwhile, pull people into their orbit with the explicit understanding that accelerated development is part of the deal. They look for talent everywhere—they recognize that deep smarts are manifested in many different ways in a company, and so they pay little attention to org charts. Instead, they focus on finding people, at whatever level, who know the things they don't. They acknowledge people's "native genius"—not just the things people do exceptionally well but the things they do naturally, often without being asked and sometimes without being paid. Multipliers also take the time to understand the capabilities of each individual so that they can connect employees with the right people and the right opportunities—thereby building a virtuous cycle of attraction, growth, and opportunity.

That was the case at Hexal AG, a Germany-based maker of generic drugs, owned and led by brothers Thomas and Andreas Strüengmann. They used unconventional tactics for matching the right talent with the biggest business opportunities. The company didn't have an org chart; instead, under what the Strüengmanns called the "amoeba model," jobs were loosely formed around people's interests and capabilities. For instance, in the natural course of her work, a customer service assistant at Hexal discovered a way to make her job (and her colleagues') easier by creating a web-based workflow tracking system that would alert everyone to the status of orders, requests, and other customer-service issues. Although she had no formal responsibility for Hexal's IT systems, she took it upon herself to make things happen. She sent an e-mail to her colleagues

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seeking input—good idea or not? When she received a flurry of positive feedback, she set to work gathering a team and building a prototype. It was eventually green-lighted for widespread use. In this way, the brothers allowed talent to flow (like an amoeba) to the right opportunities, which spawned further opportunities. Through practices like these, the Strüengmanns built extraordinary market value, eventually selling Hexal AG to Novartis in 2005 for $7.6 billion.

Fostering a productive environment. Corporate environments and modern organizations are breeding grounds for tyrannical management. Org charts and titles skew power toward the top and bake in incentives for lower-level staffers to shut down and comply. The result is straitjacketed thinking—with little flow of knowledge from followers to leaders. In this sort of culture, diminishers may become tyrants, heaping on anxiety. So when they ask for, or even demand, employees' boldest thinking, they rarely receive it: The more unsafe team members feel, the safer their ideas become.

Multipliers, meanwhile, counteract this effect by explicitly giving people permission to think, speak, and act with reason. They generate an intensity that demands high-level work from the team, but they also have a high tolerance for mistakes and understand the importance of learning along the way. So they create mental spaces in which people can flourish.

Consider the culture fostered by Lutz Ziob, the general manager of Microsoft Learning. His work environment is equal parts pressure and learning. Ziob is clear about the business pressures that require Microsoft Learning to grow its revenue by 20% each year. But Ziob is also the first to own up to his mistakes and shamelessly shares stories of his own blunders and learning. He allows his employees the same latitude. When a direct report proposed a risky sales promotion—offering users a deep discount on a core certification product—Ziob let him run with it, despite his own reservations about discounts being good incentives for learning. When the promotion failed, Ziob didn't need to point it out: The sales leader came to him outlining why the decision had been a mistake, what he had learned from it, and how he planned to use the knowledge to improve the product. Of Ziob, the sales leader said, "You're free to make mistakes—so long as you learn fast and you don't make the same ones twice."

Setting direction. The greatest ideas are born out of necessity and change. A new technology comes online or an upstart competitor introduces a new business model, and the entire course of a company and industry changes. Multipliers know this. So when it comes to charting the direction for their organizations, they push employees to look beyond what they already know. By contrast, diminishers are know-it-alls: They assume their job is to have all the best ideas. Their initiatives often revolve around what the leader knows rather than what the group might learn. Team members waste lots of time and mental energy trying to deduce what the boss thinks and how to act on it.

Multipliers ask hard questions that create a natural tension that impels people to find the answers. As team members earn small wins, their confidence grows and seemingly insurmountable problems appear less daunting. Roadblocks become interesting puzzles for the team to solve. That was the approach Matt McCauley, CEO of children's clothing retailer Gymboree, took in 2005 when he set the lofty

The Five Types of Multipliers and Diminishers

There are many ways to stifle the creativity and smarts of your team, just as there are lots of ways to get the most out of people. To assess your leadership style, take the survey at www.multipliersbook.com.

Diminishers

The Empire Builder
Hoards resources and underutilizes talent

The Tyrant
Creates a tense environment that suppresses people's thinking and capabilities

The Know-It-All
Gives directives that demonstrate how much he or she knows

The Decision Maker
Makes centralized, abrupt decisions that confuse the organization

The Micro-manager
Drives results through his or her personal involvement

Multipliers

The Talent Magnet
Attracts talented people and uses them to their highest potential

The Liberator
Creates an intense environment that requires people's best thinking and work

The Challenger
Defines an opportunity that causes people to stretch their thinking and behaviors

The Debate Maker
Drives sound decisions by cultivating rigorous debate among team members

The Investor
Gives other people ownership of results and invests in their success

goal of growing the firm's net income per share from 69 cents to $1. The board was initially skeptical, but the CEO was convinced it was an achievable goal. A few weeks later, he presented this "Mission Impossible" challenge to his team members, sharing his logic and his calculations based on his deep knowledge of the company's operations and inventory. He asked them: How can you and your team change what you're doing to help us achieve this goal? What will your personal mission impossible be?

The team caught McCauley's enthusiasm, and it began to spread across the 9,500-person organization. Individuals' and groups' goals were embedded in presentations and posted on doors. There was even a set of mission impossible goals for the food services team on display near the soda machine in the company cafeteria. Within a year, the company had exceeded its goal, with an increase to $1.19 per share. In fiscal 2007, Gymboree posted $2.15 per share; and in 2008, an incredible $3.21 per share.

McCauley had extended concrete challenges and then shifted responsibility for finding solutions to his team. By doing so, he gave employees permission to rethink the way they were operating, at even the most basic levels. And by acknowledging the "impossible" nature of the mission, he allowed people to take risks without fear of failure.

Making decisions. Important organizational decisions are always subject to debate. The problem comes when that debate happens after the fact—in whispered conversations in hallways and cubicles, as baffled teams try to make sense of decisions that seem abrupt and random. Diminishers create this unproductive dynamic, because they tend to make decisions alone or with input from just a small inner circle of advisers. The result is an organization left reeling instead of executing. By contrast, multipliers engage people in rigorous, upfront discussions about the issues at hand. They give people a chance to weigh in and consider different possibilities—ultimately strengthening team members' understanding of the issue and increasing the likelihood that they'll be ready to carry out whatever actions are required.

Sue Siegel, the former president of Affymetrix, a Silicon Valley–based life-sciences firm, used the power of open debate to lead her company through a delicate product-recall decision in 2001. Customers had been reporting that the firm's GeneChip murine microarrays were rendering inaccurate DNA-typing data from 20% of the chip. Siegel was an industry veteran; she had deep knowledge of the technology issues underlying the problem with GeneChip. She probably could have diagnosed the situation herself.

Instead, she convened a forum of managers from up and down the hierarchy and framed the magnitude of the issue and its potential effect on the company, which had gone public just three years earlier. She laid out some scenarios, asked hard questions, and then opened up discussion: How will customers react? What's our legal obligation? What's the financial impact if we recall—and if we don't? Some in the group argued that customers were getting valuable data from 80% of the chip. Others felt strongly that the chips should be replaced. They debated for two days, and then Siegel asked the management team to weigh in. Taking all the feedback into account, the senior team decided to recall the product.

The recall could have destroyed such a young company; in fact, the company's market valuation did plummet two quarters in a row. But Affymetrix rebounded and regained its value, in part because the decision-making process had leveraged the deep smarts of staffers across the organization, gaining their support and ensuring their commitment when it came time to carry out the decision.

Are You an Accidental Diminisher?

Have you been holding your team back, despite your good intentions? Many leaders are unaware of the restrictive impact they can have on others. Some have continually been praised for their intellectual merit—and thus assume they're *supposed* to have all the answers. Others have worked for diminishers for so long they've gone native.

Accidental diminisher or not, your effect on team members is the same: You're not tapping their full brainpower. Here are three signs you might be an accidental diminisher:

You're a visionary. You lay out a compelling vision of the future and evangelize to your team. You think you're being a good leader, but you haven't left enough space for employees to think through the challenges themselves.

You've got the gift of gab. You're passionate and articulate, and you consume a lot of space in a meeting. You think your passion is infectious; in reality, it's stifling.

You're a creative person. You're continually spouting ideas. You think you're sparking the creative process; in reality, you're causing organizational whiplash as people scurry to keep up with each new idea.

By tuning in to the effects your leadership style is having on others, you can adjust in ways that benefit everyone.

Executing. When teams are struggling with a project or a process—particularly when it comes to high-stakes business initiatives—it can be hard for smart leaders to stay above the fray. You've got the answers; you could finish that report better and probably faster. But what message would that send?

Diminishers have a lot invested in being heroes; after all, they consider themselves to be the smartest people in the room. By contrast, multipliers see themselves as coaches and teachers. They enable others to operate independently by letting people own their results and rewarding employees' successes. These leaders put a high premium on self-sufficiency: Once they delegate a task or decision, they don't try to take it back.

Consider how Jae Choi, a McKinsey & Company partner based in Seoul, handled a recent late-night pressure situation with his team. It was after midnight, two days before a critical presentation to one of McKinsey's top clients. The project leader, Hyunjee, was standing in front of a whiteboard, a dry-erase marker in her hand, struggling with the team to craft a compelling presentation. She gave Choi an exhausted look, as if to say "Help." Choi stood up, took the pen from Hyunjee, and shared several ideas for refocusing the presentation. His fresh thinking revived the group—and everyone seemed content to have him take over. In fact, they urged him to do so. After a few minutes, Choi wisely stopped sketching, turned back to Hyunjee, checked that she was comfortable with the new direction, and handed the marker back to her. She then led the process to a successful conclusion.

The lesson here? To build an organization that can execute flexibly and independent of you, it's absolutely critical to, well, give the marker back.

Becoming a Multiplier

So how do you become a multiplier if you aren't one naturally? Some leaders get there over time, with maturity and experience. Bill Campbell, a past CEO of Intuit and adviser to Silicon Valley CEOs, is a self-proclaimed former diminisher. His moment of truth came when a close colleague confronted him about his leadership style, saying: "You're pushing everyone around and making all the decisions. We want to work for you, but we need to be able to do our jobs." After this near-mutiny, Campbell worked hard to become a multiplier; now he's a multiplier of multipliers.

Like Campbell, we all fall somewhere along the spectrum of multipliers and diminishers. Here are two steps for moving in the right direction.

Play your chips—sparingly. Don't throw all your ideas and suggestions on the table at once. Dispense your thoughts in small but intense doses. By limiting your own comments, you make space for others to contribute—and your words become that much more influential. You can even do what one executive did during an important strategy session: He gave himself five poker chips, each worth a specific number of seconds of talking time. Using the chips as a guide, he planned his comments carefully, introducing each with surgical precision.

Ask questions. Stop worrying about having all the answers. Use your knowledge of the business to ask insightful questions that prompt the members of your team to stop, think, and then rethink. To jumpstart this effort, take the "extreme question challenge": Pick a meeting or conversation that you will lead solely with questions. Begin with a query to spark discussion, ask other questions to clarify the issues, and ask still others to dig deeper into promising ideas. Finally, use questions to determine next steps.

Simply put, when you invite people's best thinking and lead like a multiplier, your team will give you more—more discretionary effort, more mental and physical energy, and more of the fresh ideas critical for long-term success.

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