

# Contents

Foreword by Alan Mulally .....	ix
Preface .....	xiii
<b>ONE</b> Leading as Relationship .....	1
Table 1. CEO Interviewees and Affiliations .....	17
<b>TWO</b> The Heart of Humility .....	19
<b>THREE</b> The Deal with Dignity .....	31
<b>FOUR</b> Who I Am .....	45
<b>FIVE</b> The Direction I Set .....	63
<b>SIX</b> How I Treat You .....	83
<b>SEVEN</b> Working Together Management System <i>by Alan Mulally</i> .....	103
<b>EIGHT</b> The Art and Practice of Humility .....	123
<b>NINE</b> The Formation of Leader Humility .....	149
Bios and Personal Statements of CEOs Interviewed .....	162
<b>TEN</b> Extraordinary Power—for Business and Beyond ...	175
Discussion Guide .....	187
References .....	191
Acknowledgments .....	195
Index .....	197
About the Authors .....	209

## CHAPTER SEVEN

# Working Together Management System

by Alan Mulally

*Work is love made visible.*

—Kahlil Gibran

Leadership is truly an honor and responsibility. I have had the opportunity and honor to serve two important American and global icons that deliver valuable products and services for the greater good. Throughout the years, I have been able to contribute to the design, production, and support of the very best airplanes and automobiles in the world. I was later privileged to serve as CEO of Boeing Commercial Airplanes and CEO of the Ford Motor Company through good times as well as crises (the negative impact on the airline industry and Boeing of the 9/11 attacks and similar impact on Ford of the Great Recession).

Over my career, I have found that *the leader's most important contribution is:*

- to hold him- or herself and the leadership team collectively responsible and accountable for
- defining a compelling vision, comprehensive strategy, and relentless implementation
- to deliver value for all the stakeholders.

Development of the organization's mission, vision, and strategy are essential first steps, but they are not enough for leadership. And tracking progress (and knowing what went wrong after the fact) is important and can help avoid mistakes in the future—but that is not enough for leadership either. Boards, employees, investors—and even the voting public—are seeking leaders who do more than explain what went wrong after the fact. They want leaders who can ensure that plans are met successfully. This is why great leaders must be accountable for compelling vision, comprehensive strategy—and relentless implementation.

My goal in this chapter is to provide a proven and replicable approach for success that I developed while working with many great teams—our Working Together Management System™ (WTMS, which I will refer to in this chapter simply as Working Together or WT). WT is a powerful process for leading and managing an organization, because it is based on humility, love, and service. It will create a smart, healthy, and continuously improving culture in any organization. It works in both product and service organizations to deliver the products and services that people value with ever-improving productivity.

Because I want to share this unique system with you, let me bring you into my world as I write. Imagine that

you and I are actually working together as partners in achieving something significant! To show how we collaborate, I am going to use the term *our* to explain the four major elements of our Working Together Management System:

- Our Creating Value Road Map
- Our Expected Behaviors
- Our Business Plan Review
- Our Leader's Unique Service

Each element of WT is integrated with the others. I will begin by discussing them one at a time, but it is important to understand that they *must* go together to achieve results. Then I'll say more about how the elements interact; how this approach is based on humility, love, and service; and why it is so effective. Let me now describe each of these, beginning with a model of how we create value for all stakeholders, as shown in figure 9.

A great place to start in understanding our WT is that we are *delivering value for all our stakeholders*. We care not only about financial performance and benefits for shareholders, but also about the relationships we have with our customers, employees, suppliers, community, and so on. Notice that our WT has performance measures for each of these! The hopes and dreams of our stakeholders are included in our Vision (shown in the center of this model) as we consider the Broader Context of our business environment, develop our Strategic Plan to achieve the vision, and conduct our Business Plan Review to ensure relentless implementation of our Plan. In other



FIGURE 9. Our WT Creating Value Road Map.

words, our Vision itself is compelling because it is designed to serve a greater good that delivers real value to all our stakeholders. We are *committed* to creating profitable growth for all. To help achieve this vision, we rely on the three additional elements of WT.

### Our WT Principles, Practices, and Expected Behaviors

Critical to the success of WT is a set of principles, practices, and behaviors that, from here on, I will refer to simply as "Expected Behaviors." Because these are the foundation of a smart and healthy organizational culture, I will list them here in table 5, then describe how we will practice them:

TABLE 5. Expected Behaviors.

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>• The Plan</li> <li>• Status and Forecast</li> <li>• Risks and Opportunities</li> <li>• Special Attention</li> <li>• Better Plan</li> </ul> | <ul style="list-style-type: none"> <li>• Everyone knows the plan, the status, and areas that need special attention.</li> <li>• Propose a plan, and have a positive, find-a-way attitude.</li> <li>• Respect, listen, help, and appreciate each other.</li> <li>• Emotional resilience—trust the process.</li> <li>• Have fun—enjoy the journey and each other.</li> </ul> |
|--|--|

### Putting People First

Note that the very first point is "People first." When thinking about implementation, most leaders consider metrics and tracking first. But our success as an organization will ultimately be determined by our ability to work together as a team, including all of the stakeholders, to make the strategy succeed. So, we believe in the dignity of every member of our leadership and employee team. We also believe in the dignity of every stakeholder in our extended enterprise: unions, suppliers, distributors, customers, investors, government, and so on. Saying we believe in other people's dignity is not just lip service. It governs how we behave with each other. Our leadership team is committed to respect, inclusion, transparency, helping, and appreciating every participant.

Engaging people fully, enlisting their creativity and motivation, and inspiring them to work together is critically important. They give their best to their jobs when they really care about us. And they care about us most when we demonstrate that we care about them and that we need and want their hearts and minds. We

demonstrate this by showing that we are committed to creating a smart and healthy organizational culture based on our WT principles, practices, and management system. Unfortunately, this is rarely given the recognition it deserves and is a major reason why implementation often fails.

The issue of putting people first will reveal that **who you are is critically important in leadership**. That's because Who I Am has a lot to do with what I do and how I do it. If the leader does not fully believe that all people are valuable enough to contribute significantly to the organization's success, then the leader's views and expectations will adversely affect the culture and results over time. When we truly put people first, this means everyone is included. We need to break down assumptions that only people at the top should know and oversee the organization's strategic efforts. In fact, what we need is transparency—genuine openness—about both what we are trying to accomplish and how we are doing.

And we need to ensure that the views of *everyone* in our extended enterprise—including stakeholders who will be affected by our decisions—has their views represented in our discussions. This applies not only to our supply chain, but to *all* stakeholders, including government legislators and international partners. Rather than have us determine what is best for them and try to force it on them, we work together with them by including them in the development of the strategy and plan. That means we discuss our mutual goals and needs. As an example, every country has its own certification requirements for cars and planes. Differences like this are challenging when we are doing business globally. But by having

the humility to include our international partners as we develop our plan (respecting their dignity as well as their views and systems), we are able to work together on compromises acceptable to all sides.

### **Vision, Strategy, Goals, and Implementation**

As leaders, we are collectively responsible and accountable for developing a compelling vision for our organization. What makes it compelling are two things. First, it has to be about the value we are delivering for the greater good. We are providing products and services that improve the lives of others. It is not going to be compelling if it is mainly about profits or about work that is harmful to others. Second, the vision needs to be meaningful for all participants so that they want to commit their talent, energy, and enthusiasm to accomplishing it.

WT also develops a comprehensive strategy to achieve our compelling vision. The strategy will encompass all the elements needed to achieve the vision. Our business performance measures will include profitable growth for the benefit of all the stakeholders. Our goals and the organization's business performance measures will also include ever-increasing customer, employee, supplier, community, union, and investor satisfaction. We examine all performance measures on a rolling five-year window. This allows us to compare how we are doing against past performance, and to balance near- and longer-term investment and performance.

Because leaders are accountable for developing a compelling vision and comprehensive strategy, the vision and strategy need to become the "One Plan" that *everyone* in the organization knows and works to achieve. So,

everyone is next involved in defining clear performance goals. Leaders from each business unit and functional skill team of the organization identify what *they* need to do to help achieve the overall vision and strategy. To illustrate this, the head of HR will likely have strategies and plans for people, talent, diversity, training, performance management, compensation, appreciation, etc. The head of sales will have plans for customers, sales, market share, margins, etc. The head of manufacturing will have plans for quality, production, productivity, suppliers, partners, automation, and so on.

Our One Plan also cascades down the organization. So, each member of the leadership team works with his or her managers to create their plans, all of which support our One Plan.

We use facts and data to evaluate progress against our plan, so we ask our team to monitor and share accurate information. We can't manage a secret—and the data sets us free to work together to address the challenges and areas of our plan that need special attention. The data also helps us identify with confidence the opportunities for improvement so that we can focus collaborative efforts and work together on those areas to improve. In this system, everyone knows what the plan is, everyone knows the status at any point in time, and everyone knows the areas that need special attention. Having such a clear picture of our performance allows us to develop an even better plan each year to continuously improve our business performance measures.

The process element (our Business Plan Review, discussed shortly) includes a method for regularly reviewing progress relying on facts and data. However, certain

behaviors are essential to moving forward effectively. First, we all must truly respect, listen, help, and appreciate each other. We need and want everyone's very best self: hearts, minds, and working together. We respect the dignity of every participant, and we seek to understand before we seek to be understood.

Meetings must not allow destructive criticism or any jokes at others' expense. And it is critical for the leader to *model* this behavior first by demonstrating full respect, listening, help, and appreciation of all others. The leader must also manage the behavior of people below him or her. That means the leader cannot tolerate words and actions by others that violate the agreed-to Expected Behaviors. If the leader does not address inappropriate behaviors, people will quickly sense that we say "People first" but don't mean it. Once that happens, they are less likely to be motivated to give their all to the organization's goals. And without a safe environment, everyone will hesitate to share the real situation or their thoughts. We will then not know what we need to know. And implementation will suffer because we cannot manage a secret.

As we review progress, we are sure to identify problem areas. Using the WTMS's Expected Behaviors, we propose a plan and have a positive, find-a-way attitude in the face of problems. We believe there is always a way to deliver our plan or develop a better plan going forward. Attitude is everything, and it is infectious, so we stress keeping a positive attitude. Working together, using all of our collective knowledge, always works to deliver the plan or develop the needed, better plan.

Let no improvement in flying pass us by. —BILL BOEING,  
FOUNDER, THE BOEING COMPANY

If you think you can or think you can't, you are probably right. —HENRY FORD, FOUNDER, FORD MOTOR COMPANY

## Our WT Business Plan Review

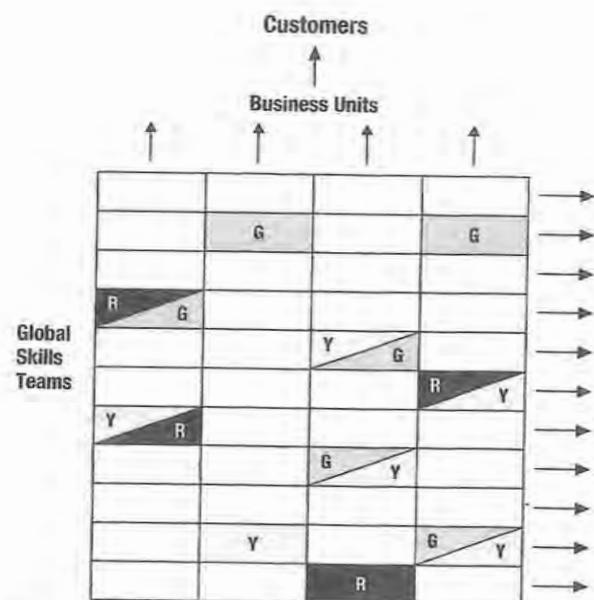
The third element of our WT is our Business Plan Review (BPR). This is a weekly review session—yes, every week. Our objective for our BPR is that we work as a team to review *every* element of our plan, our status against the plan in each person's area of responsibility, and the areas that need our special attention to get back on plan. Our BPR objective is *not* to work the solutions or create better plans for the areas of our plan that need special attention. We work those together as well—but in separate, regularly scheduled “special attention meetings” that follow our BPR meetings.

Our BPR process clearly describes how we implement our strategy and plan to accomplish our vision. It also explains our meetings, our decision process, how we adapt to our rapidly changing world, and how we manage our risks and opportunities. It is conducted among the CEO and the head of each business unit (that is, product or service) and functional skills unit (such as HR, sales, engineering). Attendance of the entire leadership team is mandatory because this is critical for our working together. The BPR informs our decision process and communications with all participants in the extended organization. Guests may be invited but do not participate in the discussion. We want everyone to know the plan, the status against the plan, and the areas of the plan that need our special attention. We also want everyone to experience the way the entire leadership team works together on our One Plan.

The meeting begins with the CEO reviewing the Creating Value Road Map or One Plan. The CEO summary presents the plan for the quarter and for the current year, the five-year outlook, and the status/forecast against the plan. In one or two slides, this summary is provided for a number of performance measures, such as profitable growth for all of the organization's stakeholders, and satisfaction of each stakeholder: customers, employees, investors, suppliers, and the communities in which it operates.

Most units will have several subgoals they need to achieve that support the One Plan. Following the CEO's summary, leaders of each unit review the goals agreed to for their part of the organization and what the status is with respect to those goals. For the BPR, leaders code the progress for the week on each of their goals with green, yellow, or red. Green means “on plan.” Yellow means “off plan but we have a plan to get back on plan.” And red means “off plan and working to develop a plan to get back on plan.” As shown in figure 10, one summary chart for the organization quickly conveys to all what the status is compared to our One Plan.

Problems are quickly seen because they are highlighted. As these arise, they are immediately assigned for special attention to take place at a separate meeting prior to the next BPR. Members of the group as a whole also may have suggestions to help resolve them. Plans will be established at the interim meeting for how to improve performance on that indicator. Subsequent reporting will continue to color-code progress on that indicator as people work together to resolve the problems. In that way, problems are quickly identified and worked, and the status will show progress moving from red to yellow, then from yellow to green, in short order.



**KEY:** Last week is shown in the upper left triangle. The current week is shown in the lower right triangle. G = Green; R = Red; Y = Yellow. This chart allows all to quickly understand the status of the whole organization compared to its One Plan.

**FIGURE 10.** Business Plan Performance Summary of Status versus the Plan.

We treat the new yellow and red items as gems because we expect all of us to identify our gems early so that we all can work together to get them back on plan. We have emotional resilience—we know there will always be gems, so we expect them and expect to deal with them. We show appreciation for the transparency of those who share their gems by offering both a positive reception in the BPR and our collaboration at Special Attention Meetings that follow, where we work together on a recovery plan. We also communicate throughout the organization the status and recovery plans and thank everyone for their contributions.

We trust the process. We trust all elements of WT because we know it works. The BPR is a reliable process for relentless implementation. It allows the leader—and everyone else in the organization—to know where things stand at any point in time. Because the Expected Behaviors are coupled with a reliable process that is using metrics and data, people become confident that we are all working together on One Plan. As problems arise, we all work to resolve them, and we are far more effective and successful together than trying to operate independently.

### Our WT Leader's Unique Service

Let me reiterate that a leader's *most important contribution* is to hold him- or herself and the leadership team collectively responsible and accountable for defining a compelling vision, comprehensive strategy, and relentless implementation plan to deliver value for all stakeholders. So, our WT leader's *unique service* is to ensure that all elements of our WTMS are used consistently by everyone: our Creating Value Roadmap, our Expected Behaviors, and our Business Plan Review. The leader and leadership team must not tolerate violations of these elements of WT.

When I say we cannot tolerate violations, I mean no exceptions. If people on the team are not practicing the Expected Behaviors, the leader must have private discussions with them in a timely way to advise them to adapt. If someone isn't sure that he or she wants to or is able to change, I always advise that person, "That's OK. It doesn't mean you're a bad person. But your decision means you are choosing not to be part of our team here."

And if the behavior continues to be a problem—when people prove they are unwilling or unable to adapt after a few discussions—I help them realize that they are making the choice to leave rather than change—and that's OK. The process must have integrity to work; if the leader fails to hold everyone accountable for the process, then we are not working together, and the principles, practices, and behaviors will be seen as a sham. So, our WT leaders' unique service is to ensure the integrity of WT!

Let me add that the leader's character needs to be based on humility, love, and service. And the leader's competencies must shift from command and control to be a role model, a facilitator, and a coach. If you are not comfortable with humility, love, and service as the basis of your leadership, you will have a hard time being a good facilitator and coach, and you will not be able to get the results that this approach delivers.

Working Together is a comprehensive system—a method that has been demonstrated to work and work very well. It can be adapted to many different industries and organizations. As the organization succeeds in its goals, all of the stakeholders succeed.

## Applications

I have used our WT in many leadership roles, and it always works. It is so important for the leader to be consistent in being honest and sincere about "People first," "Everyone is included," and "Listen, respect, and help one another." This takes genuine humility as we display deep regard for everyone's dignity. At times, I have found that people don't trust this approach at the start. It takes patience and consistent behavior to build trust and help

people understand that we are going to do everything the way WT prescribes it.

One example of this was reported in *American Icon* (2012), in which Bryce Hoffman wrote about the turnaround at Ford Motor Company. In the first few weeks, during our BPRs, everybody's progress reports were all coded green—meaning everything was going according to plan. Of course, I knew that couldn't be accurate. I told them, "You know, we are losing billions of dollars. Isn't there *anything* that's not going well?"

This is a good example of how, as a leader, you just can't manage a secret. Because you have power, people generally tell you what they think you want to hear. If they don't feel safe revealing problems, they usually won't. A lot of times, leaders will say they are open but will criticize someone when problems show up, and that quickly cuts down on the upward flow of information.

It took a little while longer at Ford, but Mark Fields was the first person to show vulnerability. He had decided to hold off the launch of the Ford Edge, a highly anticipated product, because testing had found a grinding noise in the suspension but could not identify its cause. And he decided to share that in the BPR. Hoffman (2012, 124) described Mark's report in the BPR:

"And, on the Edge launch, we're red. You can see it there," he said, pointing at the screen. "We're holding the launch." Everyone turned toward Fields. So did Mulally, who was sitting next to him.

*Dead man walking*, thought one of his peers.

Suddenly, someone started clapping. It was Mulally.

"Mark, that is great visibility," he beamed.  
"Who can help Mark with this?"

Bennie Fowler raised his hand. He said he would send some of his quality experts to Oakville right away. Tony Brown, Ford's vice president in charge of purchasing, said he would contact all the relevant suppliers and ask them to check their components.

Like so many others, this problem was resolved by having someone *trust the process* enough to bring it forward—and by having us work together to resolve it quickly. But people were also watching Mark—and me, as the leader. They thought he was taking a real risk by sharing that problem, so the next week he was still the only one willing to do that. When he had not been criticized or dismissed after the second meeting, people saw that I really wanted transparency and that we were really going to live up to our Expected Behaviors. So, at the next BPR, the leadership team brought a set of slides mixed with yellow and red, as well as green. We could finally get down to the business of helping Ford.

Let me note how well this example shows how extraordinarily powerful the leader humility model (in chapter 3) really is. I'll briefly illustrate three connections here:

1. "Who I Am" as a leader was essential for us to make this kind of progress. The members of the leadership team had to see that I had a balanced ego and integrity in order to trust the process enough to disclose the problems we were facing. If they had found me arrogant or believed my comments about working together were

only lip service, they would have remained self-protective. A sea of green reports would have led us straight into bankruptcy because you can't manage a secret.

2. "The Direction I Set" was also essential to our success. Our vision was compelling and our strategy was ethical because they served a larger good: profitable growth for all stakeholders. Our One Plan engaged everyone enthusiastically.
3. "How I Treat You" was equally powerful because it relied on our Expected Behaviors. Everyone was included—everyone understood the plan and participated in it. Our inclusion was generous and genuine. The use of One Plan, along with the BPR process that cascades down, was also developmentally focused. It taught all the organization's leaders more about the business—and about how to run the business. People could see their role in our work, the value they brought to the team, and how they would personally thrive as a result of working together.

In my consulting, I have heard a number of complaints about leadership and cultures. This one shows how problems usually begin:

[T]hings start to deteriorate when the leader's behavior becomes erratic during difficult situations. Tempers flare, bullying starts, and the mode becomes looking for someone to blame when issues surface.

Sadly, this creates an environment of fear and intimidation. It shows that the leader lacks the humility to genuinely respect the dignity of others. Over the years, I have received many, many comments from people about how unusual our WT process is, how well it works, and why it works. Let me share just a few of them here:

- “It starts with a leader that creates the environment for working together and leads by example.”
- “PEOPLE are central to working together. And that means everyone. You and key leaders lived that every day—people knew they mattered.”
- “The primary difference [in] the One Plan environment we created revolves around creating a culture of trust, transparency and accountability that didn’t exist before. The genesis of that successful environment started with your willingness to reach out to all constituencies and be a good listener. Under your guidance, we listened better, gathered facts and efficiently used data to craft the One Plan.”
- “If the leader doesn’t live and breath[e] it and a few members of the leadership team are jockeying for position to take over, the negative effect on the culture will follow. I remember you saying if someone could not get on board with the changes you were making, it was OK, they could leave, and you had to ask a few to do so.”
- “Having a comprehensive plan that everyone could work on and believe in created a force

multiplier rooted in trust. What I learned is that, even during the worst of times, a good plan with inspirational leadership will motivate your partners to run through a wall for the good of the team.”

- “Everyone knew the plan and through the cascaded BPR system understood their role in it. But what’s more they understood the WHY. Critical especially for the tough decisions.”
- “Special attention reviews at the right place at the right time with the right people.”
- “You inspired us to do more and be more than we ever thought possible.”

Our WT really works. It is based on humility, love, and service. The leader has to have humility to deeply respect the dignity of others. When I say, “People first—love them up,” I mean that. We use the word *love* too narrowly and need to genuinely care about the people we lead. They are not just pawns to be used to achieve goals, but human beings—*love them up!* Show them they matter. And when you focus on serving the greater good, and invite them to join you in doing that, they will bring their hearts and minds and give it all they have.

All the elements of our WT interact to support high performance and smart and healthy organizations. For instance, “Everyone is included” and having One Plan makes it possible for all of us to be working in the same direction. Requiring the Expected Behaviors of “Listen, respect, and help one another” supports “Everyone knows the plan, the status of the plan, and the areas that need

special attention" because, as the example with Mark Fields showed, people will only be transparent when the environment is safe. So, each of the Expected Behaviors is critical because they interact powerfully.

Working Together is so effective because people come alive when their dignity is respected. They know they matter, and we are all engaged together in doing something really meaningful for the greater good. Working together on a strategy and plan to deliver a compelling vision for the benefit of all the stakeholders and the greater good is really satisfying and fun! Feeling the satisfaction of the individual's and team's meaningful accomplishment and service is to live. Humility, love, and service work for the greater good. WT allows for adapting, growing, and thriving in our rapidly changing world. Working Together always works!

## CHAPTER EIGHT

# The Art and Practice of Humility

*The miracle is this—the more we share, the more we have.*

—Leonard Nimoy

In writing about leader humility, my point is not to suggest that leaders should somehow be more dazzling or lenient. Humility does not require charisma or low standards. My intent is to showcase the extraordinary power of humility for *working together*, thereby creating thriving organizations and great results. There can be no doubt that Alan Mulally's Working Together Management System (WTMS) did this at Boeing and Ford. Central to his approach is the unique role of the leader, and it is one based in humility.

You might be wondering whether it can work for you if your organization is smaller or if your leadership responsibilities are different or less complex. I believe it can, and I explain below how this approach can scale to different situations. Following that, I'll share more about how humility looks in practice at the organizational level, beginning with a big-picture view of how Total Leaders