

"Jeff Thompson teaches us that the most effective leadership is not about leading for the benefit of the organization, but for the benefit of the world itself"

MARSHALL GOLDSMITH, THE THINKERS 50
#1 LEADERSHIP THINKER IN THE WORLD



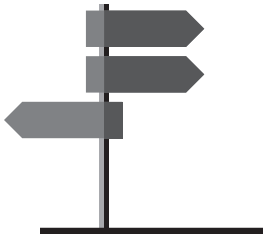
LEAD

TRUE

LIVE YOUR VALUES,
BUILD YOUR PEOPLE,
INSPIRE YOUR
COMMUNITY

JEFF THOMPSON, MD

ForbesBooks



CHAPTER 1

CHOICES

At each fork in the road, your decision changes you—and the world.

The baby couldn't breathe. She had been struggling with chronic lung problems for every breath of her nine months, but today she'd reached a crisis and needed to be intubated.

The attending doctor fed the plastic tube through the baby's nose and tried to push it into her trachea, but it wouldn't go. While the baby struggled for breath, the doctor pulled out the tube and started over. Again, the tube stuck and refused to slide down the tiny airway. The doctor gave a heavy sigh and tried a third time. The baby struggled for breath and her skin was turning blue, a telltale sign that she wasn't getting the oxygen she needed. But the attending still could not get the tube inserted into her airway.

After multiple attempts, he finally gave up. “Okay, that’s enough. I’ll come back and try again in half an hour.”

He then left the floor, leaving a group of frustrated nurses who knew that a half an hour could cost the baby its life. They turned to me. “Jeff, could you just put the tube in?”

I was an intern, only a few months out of med school, but the nurses knew I had far more experience than most first-year doctors and was nearly always successful with difficult intubations. Still, I didn’t have a license to practice yet and, on paper, I wasn’t the most qualified person to intubate a baby. Even if I were successful, without the attending doctor’s permission, I would likely be in big trouble. I could even be thrown out of the program. So, there I was, facing a fork in my life. I could play by the rules and protect my future as a doctor, or I could step up and possibly save a baby’s life.

When I got up that morning, I had no idea I would be facing a decision like this. Now, I didn’t have time to ponder the long-term ramifications of doing one thing over another. The baby was dying and I had to make a choice immediately.

I decided to act and successfully put the tube in the baby. When the attending doctor found out, he was enraged. He said I was incompetent and wrote a nasty letter that went into my record. He also spread word that I was a danger to patients and unable to follow authority. None of that made me happy, of course, but the consequences to my career could have been far worse, and I had the peace of mind of knowing I had acted to save a life. Luckily, the other attending doctors supported my action. They agreed with me that the patient’s well-being always comes first: ahead of a doctor’s reputation, ahead of other people’s egos, and even, sometimes, ahead of the rules.

At the time, I didn't realize that my decision was a pivotal moment in my career. I didn't think of myself as a leader in that setting; after all, I was only an intern. But by putting the patient's life ahead of my professional reputation, I was demonstrating an ability to not just lead but to lead with values.

Unless you walk out into the unknown, the odds of making a profound difference in your life are pretty low.

—TOM PETERS

Over the years, I frequently came to other difficult decision points in my life, places where I had to decide what was most important and which path to follow. The choices always mattered—they had an impact not only on my life but on the lives of others.

We all have these critical moments. Some are monumental, but more often they creep up on us in our ordinary daily encounters. Large or small, each incident questions our values—each asks for a decision. Even refusing to choose is still making a choice. Think of all the times you have disagreed with something but remained silent. Using silence to distance yourself from a critical situation is still a statement and an action. Silence is still a choice—one made in fear.

Decisions often involve risk, no matter which direction you go, and the choices you make will define you. Individuals and organizations will be remembered by what they do. Ask yourself, which route will make me proud when I look back five years from now? What decision reflects the best version of me?

GOING WEST WHEN EVERYONE IS POINTING EAST

Few of us get to be in the boardroom when high-pressure, high-stakes, corporate-defining decisions are made. How do leaders think in these situations? What do they value? What rises to the top of the priority list?

Walt Rosebrough, the current CEO of Steris Corporation, allows us an inside perspective through this description of a critical moment during his career. Although the pivotal decision fell to a small group, and ultimately to one person in that group, the impact quickly spread across a whole industry. Values drove him to act, and the action he took likely saved lives.

Walt writes:

Back when I worked for a company called HillRom, the CEO, a man named Jack Clawson, epitomized ethical business behavior in many instances—but one story in particular comes to mind.

In the early 1980s we were the most significant company in the hospital furnishings business, but we had many formidable competitors: Gulf and Western, which owned Simmons; Borg-Warner; and a number of smaller, regional players. HillRom, however, had developed and patented a feature in its premium hospital beds called Walkaway Down. This feature allowed the nurse to push a single button in the side rail, and the bed would automatically move from a high position into the lowest position—the safest position for an unattended patient. Since the caregiver did not have to stand and hold the button the entire time, this was also an efficiency feature. At this point, Walkaway Down had been on the market for about twenty years, and it was one of the reasons for HillRom's success. By the mid-1980s, though, the patent had run its course, and virtually every competitor had copied the feature.

Then tragedy struck. A child was crushed and killed in the mechanism underneath a HillRom bed with the Walkaway Down feature. After the investigation, we were all satisfied that this was a fluke incident; after all, this was the first time it had happened in twenty years of use, and there were tens of thousands of these beds with this system on the market. All our competitors in the industry and the ECRI (an independent safety agency) agreed that we should continue with the feature. So, we did.

Within a year or so, a second child suffered a similar “fluke” incident. Once again, the “experts” investigated and made the same arguments they had before about this being a statistical oddity. All our competitors—as well as the ECRI—continued the argument that the risk-reward ratio of Walkaway Down was appropriate and that the relative safety level was in favor of the feature we had invented.

We called a senior staff meeting to help make a plan as to what to do next. People from marketing, finance, and sales all argued that we must continue with the feature, because all our competitors, including the giant BorgWarner and Simmons companies, would be using the feature we invented. If we discontinued it, our sales could start to go to other companies who were still carrying it.

Jack listened patiently to everyone. Then he said, “We’re not going to kill any more kids—period. We will not ship another bed with Walkaway Down, we will offer to eliminate the feature in every bed in the field, and we will advise all hospitals that they will be solely responsible for any beds in which we are not allowed to remove the feature.”

As you might expect, the next few months were chaotic and uncertain. Our competitors continued with the Walkaway Down

feature; some even went so far as to target advertising campaigns against our decision to eliminate it. We made our case, though, and the hospitals agreed with the decision on principle. In the end, we even prevailed in the marketplace. And no more children were killed by the Walkaway Down feature. Today I don't believe there is a Walkaway Down bed in use in the United States.

The statistics, the data, the competitors, and the experts were all pointing in the same direction. Clawson chose to lead our company in another direction altogether. Risky? Maybe. But he knew that we were going to have to live with our plan and the effect it had on the rest of the world. As a company, we said we will have the courage to take on the challenge of staying true to our values—even if that meant redesign, education, and new technology—rather than shifting the responsibility for children's safety to nurses and families.

The effect of Jack Clawson's decision that day didn't stop with children's safety. He taught me one of the most important lessons of my life, which has shaped my own leadership in the years that followed. And I wasn't the only one in that boardroom whose life was changed by Jack's challenge to put our values ahead of every other consideration. That is ethical leadership from the top.

You don't have to—or want to—wait until you have hundreds of people reporting to you. You can always apply the principles of values-based leadership. It is never too early or too late to become a values-based leader.

—HARRY M. JANSEN KRAEMER JR.

DEFINING PERSONAL VALUES

When we refer to values-based leadership, what are we talking about? Morality? Beliefs? Goodness? Certainly, values have to do with all of those. But those words alone aren't enough. They're not sufficiently precise for us to grab hold of as individuals. In order for values to become the foundation of our leadership, we need to be clear as to what our personal values truly are. A vague concept of moral behavior won't be enough to guide us day to day, let alone on a mountainside, at a baby's bedside, or in a critical boardroom meeting.

Values form our personal operating system; they are the internal programs that guide our priorities whenever we come to a critical decision. They are what infuse our leadership with clarity, strength, and consistency. Their source is often family, faith, or environment. They form a compass, without which we are lost when it comes to realizing our potential.

Your values may be personal and internal, but as a leader, you can't keep them private. To leave others guessing about your motivation when you make a particular decision does not build trust or clarity. Instead, values-driven leadership requires that you be completely clear about the values that inform and drive you and your organization's actions. It doesn't matter whether you're leading a department of eight or a company with eighty thousand employees, your personal operating system must become a consistent and transparent guide for you and those for whom you are responsible.

Values aren't necessarily positive. Your personal operating system could be that getting rich at the expense of others is your number-one priority. Or it might be that your personal power is more important than the health and well-being of those around you. I'm not saying wealth and power are inherently bad—on the contrary, they can be used magnificently to serve the greater good. But if your values are

all about you, then you should probably stop reading this book right now, because that is not the kind of operating system I believe will best serve you or those around you. Granted, you may experience shallow, short-term success, but eventually the choices made will cause damage to you, your family, and your community.

The values we'll be exploring in this book ask us to look at the bigger picture: What will have the most positive effect for the most people? What will be the most durable and sustainable course of action? When you use these values as the foundation for your leadership, they may very well cost you something personally in the short term—but they build long-term, broad-based success.

We are all part of something greater than ourselves. We are inextricably connected, and our lives are interwoven with the people around us, the organizations to which we belong, and the communities where we live. Our actions create ripples that permeate these connections. Because of these connections, the decisions we make matter well beyond the moment they are made.

Organizations exist to serve. Period. Leaders live to serve. Period . . . Leaders don't create followers; they create more leaders.

—TOM PETERS

BUILDING A VALUES-BASED CULTURE

Gundersen is an integrated health system based in western Wisconsin, Iowa, and Minnesota, comprised of seven thousand staff, six hospitals, and sixty clinics. It

has been cited by many evaluations as being in the top 5 percent in outcomes in the nation.

At Gundersen, we started out with some very basic, stated, and defined values: respect for individuals, excellence, compassion, innovation, and integrity. Everyone on staff, including the people who managed the physical plant, billing clerks, communications staff, nurses, and especially the senior executives, needed to be absolutely certain about the values that united us. We printed them in giant letters and put them on the pillars in the administrative area. We detailed them on our one-page strategic plan, we talked about them regularly, and we wove them into our staff evaluations. We also made sure that the patients, families, and communities we serve knew what our values were and how we had committed to living them. This had to add up to tangible, practical action that went deeply into everything we did and be consistent at every level—for individuals, small teams, and the entire organization.

A great help in our transformation was our human resources leader, Kathy Klock. She transformed our HR department from rules police to people-builders, using our values as their foundational building blocks. Our staff members knew they would always be treated with respect. They understood that they were working on something bigger than themselves, something that was making a significant difference in the lives of people and communities.

People will not follow a leader with moral incongruities for long. Each time you compromise character, you compromise leadership.

—BILL HYBELS

As an organization, we took responsibility not only for ourselves, our staff, and our patients but also for the larger community beyond our doors. We focused on the well-being of those we serve rather than just on our bottom line. We were flexible enough to disregard common practices when a different route created a greater good. That doesn't mean we didn't have rules or that we lacked structure—we simply understood that the rules and structure aren't important in and of themselves; they are just tools to serve the mission and reflect our values. We used them to build a better workplace and community. If the rules and the structure got in the way of greater success, then we considered it our responsibility to change them.

This structure and form must be able to serve us when the choices seem clear and when the choices are much more complicated. All businesses have increasing complexity as we get closer to the work and understand the implications of our choices. Dan Zisner, PhD, gives us his insights into sorting some of this complexity. Although this example describes complex decisions in healthcare, the lessons will apply to both large and small business and educational organizations.

Dan writes:

**RUNNING INTO A BURNING BUILDING TO SAVE
LIVES MAY BE ONE OF THE EASIER VALUES-BASED
DECISIONS HEALTHCARE LEADERS CAN MAKE**

Theologians and philosophers would argue that the nature of the human condition—left unattended by good parenting, cultural and societal norms, the law, and a belief in a higher power—will follow a predictable path of behaviors driven by insatiable personal appetites, self-serving manipulations of relationships and circumstances, and uncontrollable needs for self-aggrandizement. If they are correct, then those who exhibit the polar

opposite of this profile operate from a value set that is likely constructively shaped by their environment and a nurtured personal belief system. Thus, good values are not innate, and value systems are not immutable; that is to say, they are available to be shaped by cumulative life experience and an evolving sense of self.

So how does this logic pertain to leadership, decision making, burning buildings, and ultimately the focus of this message, the US healthcare system? If values-based leadership is real, then values-based decision making by leaders is inevitable. Are leaders intellectually, emotionally, and psychologically available to a healthy and productive shaping of values as they mature into their leadership journey? Are they open to learning, self-awareness and reflection, and a maturing process guided by the assumption that values held today are likely somewhat different from those of the past and will be different from those held in the future?

Most of us believe that choosing to run into a burning building to save the helpless inside would be the right decision. I use the burning building as a metaphor for the biggest values-based decisions—those for which the right choice is obvious and the outcomes are irrelevant because the decision maker can stand tall regardless and say, “I would make the same decision again because it was the right thing to do at the time, given what I knew then.” Well, most decisions that leaders must make are not black or white, and neither are they all right or all wrong.

This premise is set in the context of healthcare in the United States because the industry is complicated by competing incentives, politics and policy, the public good, and the need to make a profit in an industry that is, by regulatory designation, not for profit. This admixture of factors and incentives easily sets the minds and emotions of leaders reeling because the right and

wrong of the next decision are rarely clear, even when set in the framework of a well-crafted organizational mission statement and values declaration.

Let's examine a few of the factors and conditions that weigh on the decision-making process in the everyday world of the healthcare leader:

1. Multiple, large-scale, credible independent studies support the assertion that upward of one-third of all healthcare consumed in the United States provides questionable value, while subjecting the user to the risk of avoidable physical harm. [As a leader, you are wasting money and causing harm in a system so complex that even the best make incremental, not transformative, care.]
2. The larger measure of the financial cost of services delivered is not the responsibility of the person who gets the services, and demand for many of these services can be stimulated by the provider. End users/buyers have the disadvantage of a considerable knowledge deficit and must rely upon a relationship of trust, where the providers/sellers tell the end users/buyers what they "need." [As a leader, how do you manage this moral conflict?]
3. Leaders frequently withhold information regarding impending policy change and market conditions that will negatively affect communities served and employees of the organization they lead. Release of what is known [a values-based decision] may harm the organization.
4. A sizable proportion of healthcare delivered in the United States is provided in the last six months of life. Despite a clear understanding of the inevitability of the outcome

by the professionals in control, the obvious and most difficult decision is often placed in the hands of those least prepared to make it. The question, “What do you want us to do?” whether implicit or explicit, is posed to families because steps that could have been taken to lessen the burden of that decision were not taken [advance planning, for example]. Consequently, high costs are paid by all concerned—emotionally, psychologically, and financially. [A solution to this dilemma is put forth in chapter 8, but it will cost you several times your operating margin.]

5. Upwards of one-third or more of the revenues earned by healthcare providers is paid by tax-supported governmental programs. Provider organizations [and their leaders] will argue that the price paid by these programs is insufficient to cover costs. Most providers cannot afford [morally won't allow their staff] to opt out of governmentally sponsored programs. Consequently, the business model requires cost shifting, a process that loads the providers' operating costs disproportionately onto private insurers. The result: double-digit premium cost increases, a large burden to all. [So do you unfairly shift the cost and save your margin, or do you not shift and lose your business?]

The examples provided do not fully plumb the depth of healthcare leaders' decision-making challenges. They do, however, support the premise of the message: values-based decision making is not as easy as it may appear. Values held personally by leaders necessarily converge and sometimes clash with those of the organizations they lead, causing “values dissonance.” Resolution of such dissonance comes over time as leaders mature in their understanding of their personal values and

the role those values play in the decisions they are charged to make in the work setting. So, if the road to leadership maturity is paved with the cobblestones of experience mixed with the traits that make people who they are, then with each passing day leaders might expect to find the vault that holds their values to be securing a richer trove—one with greater utility over time.

What might be the lessons here? Values-based leadership [and values-based decision making] often sounds less complex than it is. Decisions requiring the applications of one's values are typically complex, meaning the answers to the related questions are rarely yes or no because "it depends." Fortunately for all of us, the human condition is such that we have the capacity to learn, develop, and mature in the application of values to decision making. We will however, need to recognize that in so doing, we will wrestle with the inevitable questions related to the connections and conflicts between our personal values and intrinsic motivations and the values of the organizations we serve. Oh, and one more thing: The higher the level of leadership attained, the tougher the challenge. And, I would add, the greater the opportunity to serve the greater good and lead true.

—**Daniel K. Zisner, PhD**, managing director and cofounder at Castling Partners; and Professor Emeritus, School of Public Health, University of Minnesota

WHAT DOES ALL OF THIS MEAN TO YOU?

Does any of this relate to you if you are not a doctor or CEO (or a mountain climber)? Absolutely. One of the most formative figures in teaching me values-based leadership was a small quiet woman who

served as secretary at a Methodist church. She had never gone to college and wasn't the greatest speller. She was a pretty slow typist and was not really concerned about sentence structure or page organization. Yet she was *the* absolute go-to person for years at the parish when it came to advancing their mission. She was trusted by all because she was consistently honest and demonstrated personal integrity. She was appreciated by all because she had a genuine appreciation for everyone. Pastors came and went, but she held the group together and kept them on course. She treated everyone with respect and quietly articulated the values of the parish and where they should lead us. "Leading from any seat" was not a popular phrase then, but she was a strong, quiet leader, from a humble, values-driven seat. These were some of my first leadership lessons, and I am proud to call that woman Mom.

Titles don't lead people; *people* lead people. Not long ago, leadership and management were inextricably bound together by title and job description. A leader was a president of an organization, the CEO of a company, or the executive director of an institute. Managers were people responsible for planning and directing the work of individual employees. They were there to monitor all the work processes and take corrective action as needed. The focus was on individual leaders rather than on the people who followed.

Today, our understanding of leadership has evolved. Now the focus is on the entire group rather than on the prestige of the individual leader. We've come to realize that regardless of title or job description, all of us will be called on to make critical choices in our lives. In one way or another, we will all be asked to lead. The choices we make will have an effect on people and organizations far beyond the day-to-day details.

Good leaders don't tell people what to do, they give teams capability and inspiration.

—JEFFREY IMMELT

When we are clear about what is most important to us—and that clarity forms the foundation of every choice we make—we can more easily bring everyone else along with us. Clearly defined values are what allow us and those around us to make consistent choices when faced with important decision points. Jack Clawson, the CEO who recalled the Walkaway Down hospital bed, for example, was clear about the choice he faced, and because he knew what he valued most, he was able to define the path forward. He knew there were no promises that the path he chose would be easy or even successful from a financial perspective—but his decision was one he and the organization could live with and find a way to make work. The lesson and values embodied in Jack's fork-in-the-road decision not only affected those in that room, but it also changed the whole industry and affected the lives of many.

Values-based leadership isn't limited to those in executive roles. Every person within an organization or company will be called on to make values-informed decisions. At a bedside, facing a customer, or in a classroom, values guide each person's daily decisions and define what drives the organization they serve.

It is important to note—not all decision points are as dramatic as the ones I have described in this chapter. Your career may not be on the line, as mine was in the intensive care unit. Lives may not hang in the balance, as they did as Julio led his team up Mt. Everest. But that doesn't mean that your decisions are unimportant. To the contrary, when you face a fork in the road that tests your values, your decisions will trigger a cascade of consequences. You may not be able to see all

the implications that are hanging in the balance; crucial choices don't always announce themselves. That's why you need an operating system that's already in place, influencing both big and small decisions.

In the chapters that follow, we will describe how there are three pillars that support the smooth functioning of any values-based operating system—courage, discipline, and durability. These three pillars form the structure on which values-driven leadership is built. They allow us to follow our values, keep our commitments, and persevere through adversity.

CHAPTER 1 TAKEAWAYS

- ❑ Our values define us and provide a constant guide to navigate fork-in-the-road decisions.
- ❑ Values form our personal operating systems.
- ❑ Values-based choices are often hard and have far-reaching consequences that ripple through the lives of others.
- ❑ Our values are supported by three pillars: courage, discipline, and durability.

