



THE CRUCIAL ROLE OF COACHING IN SERVANT-LEADER DEVELOPMENT

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Servant-leadership is a way of life that brings with it refreshing simplicity to the seemingly complex, multi-layered nuances of relationship, and, centrally, a call toward the deepest regard for human dignity. The validity of a servant-led perspective is shown in one of the great and persevering dynamics of human nature: the ultimate truth demonstrated in humbling oneself in order to serve the most significant needs of another person. This idea, of the servant who leads, is as compelling today as it has been throughout history. Notably, in order to develop servant-leadership in the life of an organization, simplicity, not complexity, becomes very important. The simple notion of good thinking contains the power to change not only the individual person but also entire organizations, and accordingly, good thinking is the engine behind the kind of awareness and foresight that inform a servant-led way of life. One pathway from which to explore good thinking is in the daily life of the executive.

Awareness is not a giver of solace—it is just the opposite. It is a disturber and an awakener. Able leaders are usually sharply awake and reasonably disturbed. They are not seekers after solace. They have their own inner serenity.

—Robert Greenleaf

Why would a chief executive seek to improve or change the leadership competency and organizational culture of the company?

The answers are numerous and complex. Some want to improve team and organizational performance, or solve specific issues standing in the way



of performance. Some want to bring greater alignment to the senior team and subsequently to the company itself. Or the organization may be facing a dramatic change, problem or crisis requiring a new way of doing business. For others, it may simply be that the organization is having difficulty getting traction on a strategic initiative such as improving quality or customer service.

Regardless of the business reason, many corporate leaders see enhancing the leadership capability of everyone in their organization as vital to the successful accomplishment of their goals and assuring the lasting viability of their organizations. To these executives, leadership embodies those traits that inspire deep care, compassion, and greatness in the people in their organizations.

Some of the capacities attributed to leadership are the ability to:

1. Create and enroll others in a compelling vision for the organization, to bring things into focus.
2. Bring out the best in others.
3. Create open and trusting relationships.
4. Awaken and bring forth in others the desire and courage to live a more values-based, ethical and fulfilled life.
5. Know what is the most important thing to do or address.
6. Bring “out-of-the-box” creativity to problems and issues.
7. Maintain calm and perspective in difficult times.
8. Create and to bring things into being that were not previously there.

The leadership capabilities executives seek are often the very abilities that create the above results. To be able to do this, executive coaches often focus on helping executives and organizations change or shift behavior to improve leadership abilities. My own work has gradually evolved into a different focus. Over the last couple of decades working with companies, my experience has shown that focusing on behavioral habits usually has very limited, short-term results in terms of actual improvement in leadership capacity. The illusion that this behavioral approach appears to work requires a shift in thinking. This shift in thinking, then, is the real deter-



miner of graceful, permanent and flexible change, both on personal and organizational levels.

General awareness, and especially self-awareness, strengthens the servant-leader.

—Larry Spears

Without a shift in thinking, even if a behavioral change does occur, some have had difficulty applying this behavior to other situations or venues. For instance, executives who stop micromanaging their people may still act this way with their own families. Although such executives may see that overly tight scrutiny, judgment and correction stifle the type of behavior and attitude they want to see in their people, they may not see this phenomenon carrying over to their personal or family life. Even if they do see the connection, unless they can find and correct the source of their need to overmanage and overcontrol, maintaining this change takes energy, effort and vigilance. This adds additional “to do’s” to the already busy workload of executive life, as well as frequently causing the executive to be self-conscious about how he or she interacts with others. The executive ends up working twice as hard without the guarantee of sustained change.

A MORE PERSONAL AND SPECIFIC APPROACH

I believe the greatest impact in the field of corporate leadership development lies in helping leaders gain insight into the numerous ways they personally impact corporate performance. The most effective leadership goes beyond behavior. Even though effective leadership is realized through displayed actions, it can be neither totally mimicked nor copied. The things that leadership accomplishes cannot be achieved through badgering, cajoling, or threatening. Leadership is captured in being able to reach people at a deeper intrinsic level, i.e., a level of heart, thought and insight. It entails being able to maneuver in the intangible dimensions of vision, values and inspiration.

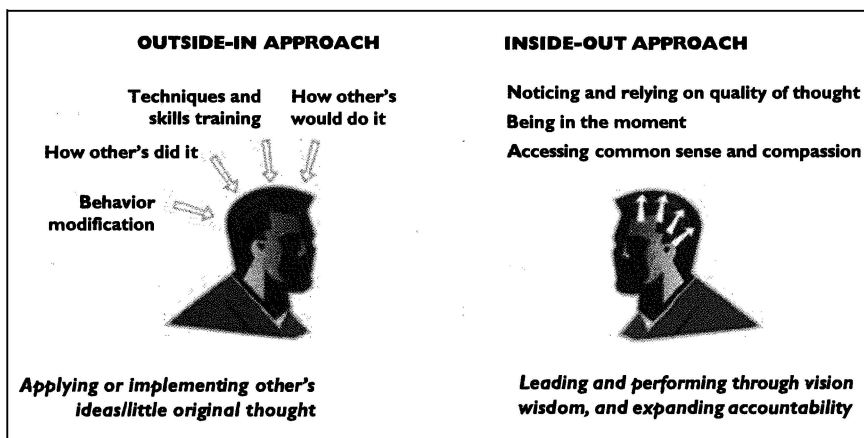


Effective leadership goes beyond even one's intellectual capacity; rather, it is founded on a gifted ability to connect to the common sense of those with whom we live and work. This type of personal insight enhances the ability of senior corporate executives to lead their companies with character, calm, and a sense of inner resilience.

So what is the process for gaining this insight?

I believe it begins in recognizing that leadership is in fact an inside-out capacity, one based on deeper, more meaningful understandings of life—based on insight rather than solely on behavior. It then follows that there is no magical “outside-in” process for doing this in every situation, with every individual. In fact, there are probably as many processes as there are leaders. Interestingly enough, Steven Covey makes this point by listing 24 major theories of leadership in his book *The 8th Habit*.

OUTSIDE-IN APPROACH INSIDE-OUT APPROACH



However, one thing we do know about this type of leadership development, which may be more accurately called leadership awakening, is that it is most effectively done when it is led by a coach who understands the relationship between heart, behavior, and thought.

One leader described the chain of logic this way:



The quality of my personal and our organizational performance is based on the quality of the actions and decisions I make as a leader. The quality of these actions and decisions is greatly influenced by the quality of my perspective, state of mind and attitude. The quality of my state of mind is greatly influenced by the quality of my thinking and my feelings in the moment. I feel that understanding how it works and being able to see this dimension of thought gives me and our company the definitive edge.

This leader felt it was the quality of his state of mind that determined which thoughts he would entertain and in what fashion. As his consciousness rose, so did the profundity and perspective of his thinking. This executive realized that how he thinks about the business and how he evaluates and leads the leadership of the company greatly affects the decisions and actions he takes. He can either bring wisdom and creativity to the mix, or patterns of emotion and thought that tend to block the development of the organization. He can either reduce the amount of stress in the system or be a source of it. Through this realization, he is able to improve one of the most powerful influences of how his company functions. . .himself.

I would further postulate that the perspective, wise words and good advice presented by effective executives, proven thought leaders and academicians, and sought-after consultants, are the results of their ability to access their own state of emotional discernment, wisdom, and insight. To solely try to implement suggestions is equal to dealing with the artifacts of thinking and overlooking where the real “magic” exists . . . in the state of mind that recognizes and articulates all great ideas.

Behind every great achievement is a dreamer of great dreams.

—Robert Greenleaf

Greenleaf’s principles of servant-leadership are a prime example of this wisdom. They are not solely intellectual constructs, but are a living understanding and an accurate explanation of how life appeared to Greenleaf, and how, in his estimation, life truly works—for everyone and in every situation. The creativity that his thoughts spawned and the many dif-



ferent iterations and theories born from this beginning are proof of the depth and profundity of his thoughts and words.

THE CONNECTION BETWEEN LEADERSHIP DEVELOPMENT AND ORGANIZATIONAL TRANSFORMATION

When a leader further awakens his or her innate leadership ability, amazing results are achieved. When these individuals also hold positions of responsibility, organizational improvements abound as a direct result. By making the effort to improve their own leadership acumen, they bring tremendous integrity to the process of organizational transformation by modeling both their strengths as a leader and their humility as a learner. They occupy the seemingly diametrically opposed positions of “knowing what they know” and being truly open to seeing things differently.

These leaders realize that fulfillment and performing are innate and natural to every person. What frequently gets in the way of this natural desire to contribute and perform are dysfunctional thoughts that are ego-laden or worrisome. These thought habits wound and do harm to the person and to those around them. One of the services that leaders create for their people is to heal them by generating the ability to see troubled thoughts clearly. Such leaders realize people do not move forward from a troubled way of thinking to a better position, but people actually return to a natural state of peace and forgiveness. This desire to return to “wholeness” is an innate trait of both the servant-leader and the servant-led.

There is something subtle communicated to one who is being served and led if, implicit in the compact between servant-leader and led, is the understanding that the search for wholeness is something they share.

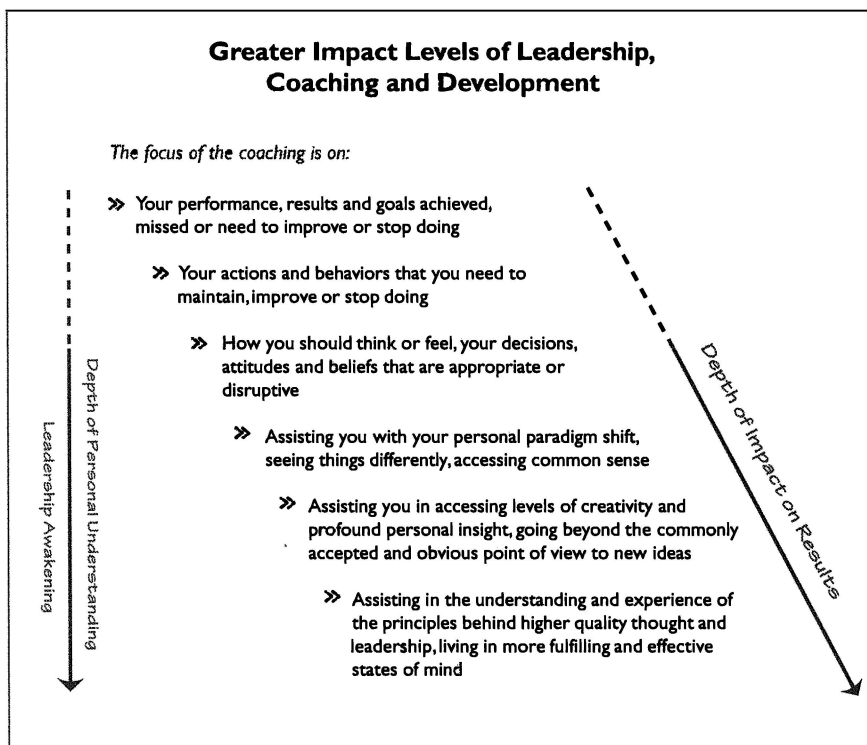
—Robert Greenleaf

Effective leaders are deeply committed to the professional, personal and spiritual growth of those around them. These executives take a personal interest in the coaching and development of their senior team and other high-potential individuals within their organization. As such execu-



tives personally grow through their insights into themselves and their business, and they find they have crucial new ideas to teach their people. They have a greater capacity to help their people become more fulfilled and more effective. They are better able to coach the individuals on their team to become even greater leaders in the company.

GREATER IMPACT LEVELS OF LEADERSHIP, COACHING AND DEVELOPMENT



I have often found that when leaders don't coach their people, it's not only that they are uncomfortable with coaching, but also that they don't see how to approach the situation with insight and wisdom. They sometimes fumble with taking their conversations beyond the "obvious" so that their people will gain a fuller vision of what needs to be done or what personal



and collective changes need to be made. They are sometimes disappointed that their words go unheeded or misunderstood, or they feel as if they are badgering or nagging their people.

However, through the formation of deeper levels of emotional discernment, mindful insight, and increased wisdom, they become open to more profound ways of understanding themselves and their organizations. Such leaders consistently have wiser, easier, and more meaningful ways to address situations and to communicate solutions.

A SPECIFIC EXAMPLE

Rich insight tends to accompany wonderful organizational leaders. In working with executives of companies ranging from Ford Financial to British Gas, from Navistar International to McDonald's, deep care for life and people is a common factor. The current article is based on conversations and work with Denny Litos, CEO of the Ingham Regional Medical Center in Lansing, Michigan. He has been a model of ethical, insightful, and accountable leadership, and has provided me with the opportunity to pursue leadership development with him and his management to further their values-based endeavors in continuing to grow their organization.

The last few years have been difficult for most U.S. businesses. The economy has been down, unemployment rampant, there has been a dangerous shortage of qualified labor, adversarial union-management relationships, a number of businesses disappearing or precariously downsizing, exposure of ethics failures, distrust and lack of confidence in leadership . . . in general, a mind-numbing malaise occasionally laced with uninformed optimism. This is all particularly true in healthcare and especially in running a hospital.

However, within this scenario, under Denny's leadership, he and his team have achieved the following results:

1. They have doubled their market share.
2. They have been profitable for ten straight years.



3. HealthGrades, a reputable and recognized industry quality ranking agency, has evaluated a number of their medical services to be in the top 5% nationally.
4. J.D. Powers and Associates has presented its Distinguished Hospital Award to Ingham for its outstanding level of customer satisfaction and service.
5. The organization has survived a difficult and complex reorganization and realignment of services with multiple constituencies in a fluid and collaborative fashion.
6. The quality of the leaders that are developed in their organization are identified and respected to the point that they are often spirited away to higher responsibilities within the larger corporation.
7. Ingham is viewed highly by community leadership and has received numerous awards recognizing their contribution to the overall welfare of the region's citizens.
8. The leadership consistently displays resilience in times of challenge, perspective in difficult situations, integrity under pressure, and collaboration and good-will born of inspiration and a personal adherence to a strong values set.

THE FOLLOWING COMMENTARY PROVIDES A VIEW OF HOW INGHAM
REGIONAL MEDICAL CENTER HAS ACHIEVED SUCH RESULTS

Nakai: How do you measure the success of your organizational improvement/transformation?

Litos: In the final analysis, our achieving what we set out to do and in the fashion that we wanted to do it has to be the indicator of success or failure. Identifying the correct strategic goals as well as establishing the proper corporate culture to accomplish these goals is part of executive leadership. I also view our values as our way of defining the state of mind that we want our people to be in when they come to work. Taken collectively, it is how we achieve healthy and ethical high performance. Although we can get pretty granular about describing what the values may behaviorally look like, I also want our people and those who they touch to get the spirit and feeling



behind these words. I feel that if we can operate from a values-based foundation, we will achieve our results.

Nakai: How do you see this happening?

Litos: I feel that there is a time and place for different organization-wide initiatives. We've had a good start sharing our core values and strategic intentions with the organization. Now, I feel that we need to put more "form," substance and personal meaning to these sentiments so that everyone who chooses to work here can have a better understanding of what's required and expected of them. . . both in their performance and how they conduct themselves. The values form the foundation of our culture. How they are specifically manifested should be determined by the individual and by the situation. Our leadership definitely needs to be aligned with our values.

A very important dimension in this formula is to be able to facilitate a greater depth of understanding and more effective application of those leadership principles that are aligned with our core values. I don't think that this can be done in a general cascading fashion without a "personal touch."

I firmly believe that organizational transformation occurs as a result of personal transformation. I've come to realize that this shift occurs through personal insights, not because someone tells you how you need to change. In fact, when you rely too much on a "heavy hand," i.e., telling people how they need to be, unless you're talking to the "choir," you run the risk of engaging skepticism and resistance from the rest of the organization.

Because these values conversations eventually deal with the individual at such a personal level, I feel that they need to be in the privacy of a coaching arrangement. It is the most respectful way to have conversations that speak to the individual and at the pace that the individual wants to take it.

Nakai: When did your "vision" crystallize?

Litos: I'm not quite sure which insight came first, but I realized and, probably more importantly, accepted the fact that I needed to model what I



wanted to see from my people and my organization. I needed to do this by being open to examining and enhancing my personal effectiveness as a leader. I needed to build on what I've already learned. This insight put me on the path of personal growth and increased awareness.

Shortly after that, I recognized that I truly enjoyed learning how to access the "top of my game." I found myself being more curious about life and the new revelations waiting for me around every corner. Regardless of what faced me, I discovered that I was fascinated by the potential of learning something new about myself or about my company.

I realized that unless I allow personal insights into who I am, how I can be more effective, and how our business could function better, our hospital would be doomed to complacency. In addition, I believe that it is through these insights that I can bring both a freshness and creativity as to how leadership sees the organization and the role we play in its success. There is a difference between intellectual manipulation and insight management. Striving for a state of "leadership creativity" is a large part of the purpose and hope behind our coaching relationship.

I've also noticed that I've become more patient and curious about people and events. Instead of rushing in and trying to fix the problem, I differentiate between immediate action and deeper reflection. I find myself reading more and sharing what I feel are more pertinent lessons with my management team. I'm also interested in selectively gleaning input from other sources—from other chief executives in the industry, the senior team of our corporation, other leadership development opportunities, and so forth. In essence, the more I learn, the more I can properly blend knowledge with experience and insight.

In addition, I've become more aware of and sensitive to my own state of mind and how it impacts my effectiveness as a leader. In the past, I may have plowed ahead when I was distracted or agitated. Whenever possible, I try to make important decisions when I am in a clear and healthy state of mind. I've noticed that the quality of my decisions and actions seems to be



more on target and have a greater, more positive impact on those around me.

Nakai: What changes have you made because of this insight?

Litos: I felt that I needed to take a more proactive stance in the coaching and mentoring of my senior managers and directors. I regularly meet with all of them, discussing everything from job performance, to leadership development, to health and conditioning, to issues like family, vacations and other personal interests. Initially, when I first started, I only felt comfortable discussing performance agendas.

Today, I feel equally adept speaking with them about “leadership competency,” the effect of their thinking on their outlook on life, the principles behind developing stronger working relationships, and how to go about creating a broader and longer term vision for their professional and personal growth.

I think this combination of coaching and mentoring has contributed to many of my managers’ stepping onto a more assertive growth and development path. In addition to performing within the present system and dealing with today’s problems, many of them keep an eye out for ways to improve the situation . . . strategically, culturally, and systemically.

I’ve also offered leadership coaching to everyone on my senior team. At the very least, I wanted them all to “try it out” to see if they personally wanted to continue. That was the only request that I made of them. I realize that this form of coaching will not reach or appeal to 100% of the management team . . . but I am glad that half of them have chosen to continue in this endeavor beyond a basic level. I am seeing a difference in how they view themselves and others. Interestingly enough, it seems as though the ones who have continued with this form of coaching are also the ones who are open to coaching, open to entertaining new ideas, have more patience with each other and try to find better ways to do things.

They have also started offering leadership coaching to their people. This step is important in the development of next-generation leaders.



Nakai: I agree that being the “leadership role model” and then taking the time and effort to coach your team are critical. How else are you preparing your organization’s readiness for the future?

Litos: To make this more a way of life, I think people realize the potential behind our core values when they experience how difficult situations are more easily resolved. They also find that by acting with a clearer state of mind they are rewarded with positive results and attitudes.

We’ve addressed particularly “knotty” or potentially volatile situations in our organization by first helping people regain their perspective before they take critical action. Because so many of these situations have to do with negative or insecure feelings and/or dysfunctional personalities and attitudes, we provide a sound foundation for solution stimulation, which often results in a healthy response to the issues at hand. By treating our people as individuals, with respect and understanding, we avoid becoming too clever or manipulative. Just as important, the people involved experience another way of dealing with their problems and see the relevance of these ideas because of the results they achieve.

Interestingly enough, another operational benefit is that paying attention to our state of mind in resolving issues, visibly magnifies our intention to create a healthier, values-based organization. It takes our efforts out of the “theoretical and nice to have” realm and brings it home to a real-time, real-world dimension. It brings practicality to lofty sentiments.

It would be easier to only go where there is already goodwill, interest, and enthusiasm for our cultural intentions and strategy. But it appears that a lot of people notice when you go to areas in the company where things are difficult or adversarial. To make headway in those situations brings credibility and a sense of integrity to management’s statements and intentions.

I think that 20% to 25% of the people will quickly resonate with the commonsense message we’re communicating. They’ve been living their lives this way and are secure when both our message and actions are compatible with their character and their behavior. I also feel that, unfortunately, there are 15% to 20% of the people who will find the message



threatening or ridiculous. They can be the “loudest” critics, the most resistant to change, and hence the most divisive in our efforts to improve the company climate.

The remaining 60% of the people are frequently waiting to see which way to go. Is it “safe” or does it make sense to move more in the direction of greater accountability, goodwill, and healthy performance? I think that this is the essence of any culture shaping program. I also feel that this is one of the primary responsibilities of our leadership team. We can’t “make” anyone get on the bus . . . all we can do is get them to the bus stop. If we lead with integrity, common sense, accountability, respect, and compassion, I feel more people will get on board.

A fraction of the people can be reached through follow-up and reinforcing programs. But I also believe that the most effective way to reach the majority of our people is by example. In this regard, I am reminded of something that one of my early managers used to tell me: “The challenge is not in helping people change their thinking . . . the real challenge is to help them *keep* their thinking changed.”

Overall, we have one simple goal: to add fresh water in the “real” channels of communication (the rumor mills) in our company. When you walk through the doors of our organization, there is a “new” way to do business—not only with the customer, but with our colleagues and community as well.

One of the values that means so much to me personally is stewardship. To me, it means that while we are here, we are holding our organization in trust for everyone in our community—not only for those who are here today, but for future generations as well. My vision and sense of accountability for the future has provided me with tremendous perspective and courage in the present. The quote that continues to ring true for me is, “Many people feel as though we’ve *inherited* this life from our parents and past generations . . . I feel as though we are *borrowing* it from our children and their future.”



CONCLUSION

The results achieved by Denny Litos and his team at Ingham Regional Medical Center are indeed exceptional, but are by no means singular. Their results have occurred because of the steady day-to-day attention to doing the right things. They accept the occasional grand event but, for the most part, they are all good people trying to do what they feel is right for the organization and for its people. This cumulative building of a culture of excellence, filled with care and compassion, results in an organizational culture that is imbued with courage, strength of soul, and good thinking. I believe the discipline of good thinking leads the servant-leader to the awareness and foresight necessary to generate greatness, wisdom, and healing in the heart of humanity.

Foresight is a characteristic that enables servant-leaders to understand the lessons from the past, the realities of the present, and the likely consequence of a decision for the future. It is deeply rooted within the intuitive mind.

—Larry Spears

The culture created by Denny Litos and his leadership team is imaginative, freeing, and effective. More and more we see servant-led organizations with similar impact on people, industry, and community: Toro, TDIndustries, Starbucks, and Southwest Airlines, among so many others. Personally, I have been fortunate to witness similar results achieved by leaders such as Mary McFarland, Dean of the School of Professional Studies, Gonzaga University; David Roberson, COO and President of Hitachi Data Systems; John Ruch, CEO (retired) of Blue Cross and Blue Shield of Utah and Idaho; and Richard Rudman, COO of EPRI (Electric Power Research Institute). My own understandings and ongoing learning in leadership have often come from my interactions with such leaders.

The reason for their success has been primarily the servant leader-led aspect of organizational transformation through leadership development. Because each leader is a unique individual, each of these transformations



has been quite different. However, the critical common element was the willingness of each to become the “leadership model” through open exploration into their thinking and beliefs about leadership, and then taking the time and effort to coach their own leadership team.

Not every corporate executive is willing to invest the time, effort or soul-searching involved in such an endeavor, but those who do report that they see uncommon results for themselves, their teams, and ultimately, the spirit and performance of their organizations.

Paul Nakai is the founding partner and principal of Leadership Spirit International, with offices in San Francisco, California, United States of America. Leadership Spirit International is a consulting group specializing in developing and deepening the leadership capacity of executives, in teambuilding and optimizing performance-based relationships, and in shaping organizational culture to more effectively meet organizational objectives. Paul was formerly a Managing Partner and Executive Vice President with the Senn-Delaney Leadership Consulting Group, where he specialized in executive coaching and leadership development to support and lead intense business challenges such as mergers and acquisitions, shifting corporate cultures, leadership shortages, downturns or upswings in business, and debilitating internal strife. Paul has consulted and led major engagements in healthcare, insurance, financial services, manufacturing, energy, high technology, aerospace, pharmaceuticals, and telecommunications. Through Leadership Spirit International, he is dedicated to servant-leadership in order to assist executives in unleashing the spirit behind their personal leadership as well as unleashing the collective spirit of their organizations.

The International Journal of Servant-Leadership welcomes Paul’s understandings of corporate culture. We look forward to his ongoing editorials which can be found in each volume of the journal under the section entitled: “Servant-Leadership and the Executive.”