

LINCOLN ON LEADERSHIP - ENDEAVOR TO SUCCEED AND COMMUNICATION

(Continued from page 10)

confusion, desperation, and urgency to exercise strong leadership.

Lincoln also demonstrated strong leadership in dealing with subordinates when necessary. However, Lincoln often accepted the aggravation and exasperation caused by subordinates if they did their jobs competently. In Lincoln's presidency, one problem individual was the Secretary of the Treasury, Salmon P. Chase, who was obsessed with becoming president himself. Lincoln and Chase often clashed over policy matters large and small. For the most part, Lincoln let Chase have his way and seldom interfered. Lincoln publicly wrote of Chase, "Chase is a very able man. He is a very ambitious man and I think about the presidency, a little insane. He has not always behaved very well of late, and people say to me, 'Now is the time to crush him out.' While I am not in favor of crushing anybody out, if there is anything that a man can do and do it well, I say let him do it. Give him a chance."

Lincoln had the will and the ability to make tough decisions when necessary, and he did not hesitate once he was convinced that swift action had to take place. However, it is a certain thing that for crucial decision made by Lincoln was thought out well in advance. When making a decision, Lincoln understood the facts, considered various solutions and their consequences, making sure that the decision was consistent with his objectives and effectively communicated his judgment; this is very similar to the teachings of Sun Tsu in *The Art of War*. One can only imagine what the consequences would have been had Lincoln not been decisive. Lincoln changed attitudes, behaviors, and the way people lived their lives. He al-

tered the face of the nation forever by abolishing the institution of slavery and not allowing the South to successfully secede. He intended to do both which, almost by definition, makes him a great leader. He set his goals, preached his vision, and accomplished his mission, all with a strong hand.

♦ Lead by being led.

While Lincoln, with his extraordinary assertiveness, often stood alone when it came to making major decisions during his presidency, he also conferred with advisors on important matters, using them as sounding boards. He alone bore the responsibility and would answer the American people for his actions. On several occasions, it was Lincoln who led the way while, at times, giving the impression that he was, rather, following the lead of his subordinates. An effective way of team building! Lincoln had the enviable quality of being able to listen to people and be guided by them without being threatened himself. He possessed the open-mindedness and flexibility necessary for worthwhile leadership. Frequently, he would listen to his subordinates' suggestions and recommendations. If they made sense, and if their course of action matched his own ideas, he would let them proceed with the knowledge and belief that it was their idea. However, if he was uncomfortable with what was being suggested, Lincoln would focus his people to what he viewed as the proper path. Rather than ordering and dictating, Lincoln refined his ability to direct others by implying, hinting, or suggesting. When a subordinate did a good job, Lincoln praised, complimented, and rewarded the individual. On the other hand, Lincoln would shoulder responsibility when mistakes were made. For example, Lincoln readily accepted responsi-

bility for battles lost during the Civil War. He tried to let his generals know that if they failed, he failed too. What today's leaders can learn from Lincoln is that if you are a good leader, when your work is done, your aim fulfilled, your people will say, "We did this ourselves."

Boards and managements must be open to the philosophy of letting the employees know that the honor will be all theirs if they succeed, and the blame will be the leader's if they fail. As with all good employees, when they come up with good ideas, boards and managements should let them go ahead and try, while still monitoring their progress.

In dealing with subordinates, Lincoln teaches us to choose as your chief subordinates those people who crave responsibility and take risks. Give your subordinates all the support you can and act on the presumption that they will do the best they can with what you've given them. However, at the same time, in dealing with subordinates, Lincoln cautions about those subordinates who keep piling up information without ever really accomplishing anything. Results do matter eventually.

One additional leadership principle regarding subordinates is: do not forget that aggressive leaders tend to choose employees in their own image. We've long advocated that boards and managements don't hire up but, rather, hire down. Boards might as well start at the top with quality and build from there. Boards should take comfort with the understanding that it is sometimes difficult to find the right chief subordinate or the right management team. In Lincoln's case, it took two and a half years for Lincoln to identify U.S. Grant as the aggressive general who

LINCOLN ON LEADERSHIP - ENDEAVOR TO SUCCEED AND COMMUNICATION

(Continued from page 11)

could do the job that Lincoln so demanded. In today's environment, quality of management is the most critical element to succeed, and it starts with boards and their selection of the chief executive officer. Finding the right CEO takes time, and finding the right management team should be a careful and methodical process, since it impacts the entire organization.

While Lincoln was the leader of the country, he continually took a position to let the people know that the country was bigger than any individual. Boards and management should also learn from this lesson and never forget that their bank does not depend on the life of any one individual. The truly successful banks are those that are a success of many.

♦ Set goals and be results-oriented.

It was well known that Lincoln had an unyielding drive and aggressiveness which was part of his genetic makeup. It is a personal quality and a characteristic of many great leaders. Several of the great leaders of the 20th century also clearly demonstrated active ambition and an inclination toward attaining a higher station in life. Lincoln thirsted and burned for distinction, yet even though he often became depressed in failure and setbacks, Lincoln developed the enviable ability to persevere and learn from his own failures. Lincoln was quite aggressive at establishing goals and gaining acceptance from subordinates. Both are crucial for effective leadership. Goals unify people, motivate them, and focus their talent and energy. Lincoln united his followers with a corporate mission of preserving the Union and abolishing slavery, and this

objective became firmer and more resolute with the onslaught of the Civil War. Even so, Lincoln realized that the attainment of a successful outcome had to be accomplished in steps, so he constantly set specific short-term goals that his generals and cabinet members could focus on with a sense of immediacy. This is an essential trait for strategic plans for boards and managements.

Recent studies on leadership note that the most effective leaders are, "reliable and tirelessly persistent." They are the most results-oriented people in the world. Lincoln was within this mold. He created a contagious enthusiasm among his followers by demonstrating a sense of urgency toward attaining his goals. In addition to setting the goals and focusing on them on a day-by-day basis, Lincoln teaches boards and managements: leave nothing for tomorrow which could be done today, and your task will neither be done nor attempted, unless you watch every day and every hour. Banking is a day-to-day project, and those banks who have demonstrated "**Premier Performance**" on a consistent basis are those that live with the bank every single day and every single hour.

♦ Encourage innovation.

In Lincoln's address to Congress on December 1, 1862, he emphasized the importance of innovation. "Still the question recurs, can we do better? The dogmas of the quiet past are inadequate to the stormy present. The occasion is piled high with difficulty, and we must rise with the occasion. As our case is new, so we must think anew and act anew." Leaders such as Lincoln are not only instruments of change, but they're also catalysts for change. Lincoln under-

stood during his presidency that he had to virtually rebuild and reorganize the government and its armed forces. The nation was obviously not prepared for such a formidable threat as a civil war. Change was imminent. A transformation needed to take place immediately. As a catalyst for change, Lincoln was continuously learning and focused on the importance of the best leaders never stopping learning; subordinates were always encouraged to provide ideas, and Lincoln let his subordinates know that he was always glad to have their suggestions. Lincoln essentially treated his subordinates as equals. They were colleagues in a joint effort. He had enough confidence in himself that he was not threatened by skillful generals or able cabinet officials. Rather than surround himself with "yes men," he associated with people who really knew their business, people from whom he could learn something, whether they were antagonistic or not. An often-overlooked component of leadership is the ability to learn from people and experience from successes and failures. The best leaders possess a special capacity to be taught by those with whom they've come into contact. In essence, the ongoing accumulation of knowledge prepares the organization for change. Boards and managements must recognize that they should not surround themselves with "yes men," but with people who have different ideas but who also have the same goal in building a "**Premier Performing**" bank.

In a time of war, Lincoln made himself aware of any and all new technological advances so that they could be implemented first by the Union. He was quick and decisive in employing these new advances. Similarly, boards and managements of banks must be innovative as to new products and

LINCOLN ON LEADERSHIP - ENDEAVOR TO SUCCEED AND COMMUNICATION

(Continued from page 12)

services and how they can get them into the hands of their employees, as well as their customers.

Lincoln definitely had an drive to succeed. Boards and managements must also endeavor to build a successful **"Premier Performing"** bank. Too often, boards and managements build their banks around one individual rather than a team in which everyone is encouraged to contribute. Lincoln taught us that no nation nor any bank is built around one individual.

COMMUNICATION

Communication is being able to set a vision, effectively communicate such vision, and lead others to such vision. Like Lincoln, the best examples of decisive leaders are those who have a set purpose and the self-confidence to accomplish the objective. But effective visions and noble goals can be made worthless without solid decision-making leadership, especially in today's fast-paced, competitive business environment where decisions are almost never simply black and white. Often, all of the necessary information is not available, and an important decision must be made by a certain deadline. Short-term solutions are frequently at odds with long-term goals. Sometimes a leader makes the right choice even though it may not be immediately obvious. Sometimes he is wrong, and sometimes he chooses to compromise, which could be a major decision in itself. Banks with decisive leaders have an atmosphere that is dynamic and vibrant. People move with a spring in their step and purpose in their direction. Opportunity seeks out the bank, and the well-focused bank, one backed by solid vision and well-thought-out goals, al-

most always succeeds. However, decisive leadership is not always the final solution. The vision and direction must be communicated effectively so that everyone involved with the bank, whether it is shareholders, customers, employees, management, regulatory agencies, or the community itself, understands its direction, vision, and focus. Those banks that can effectively communicate are those banks that are consistent **"Premier Performers,"** and also banks that survive!

♦ Master the art of public speaking.

Thirty-five years ago, Ronald Reagan was labeled "the great communicator;" however, Lincoln was considered one of the most effective communicators, giving hundreds of speeches and writing thousands of letters, all without today's speech writers. As president, Lincoln was an intelligent communicator; he was careful about what he said, and he thought before he spoke. Every one of his major addresses while in office was meticulously prepared and read from a completed manuscript. In the case of each, there was a specific message Lincoln wanted to convey; he was not talking just to hear his own voice. Lincoln's practice of writing his speeches before they were delivered gave him the time to think about what he wanted to say and ensured that his message would come across the way he intended. However, Lincoln also understood that there were times when he should simply be silent.

Boards and management must recognize that both oral and written communication are effective in setting the strategic direction and providing leadership to both subordinates as well as all partners involved with the bank. Too often,

boards and managements can't be bothered by having a written message, and too often bank positions are "off the cuff." Since communication, specifically with regard to the strategic direction of a bank, is so critical to its future, each word must be carefully crafted, and the leaders of the bank, whether it's the board or management, must be able to effectively communicate in an oral fashion to all constituents. Modern leadership theory emphasizes the importance of effective communication. James MacGregor Burns wrote, "the leader's fundamental act is to induce people not to be aware or conscious of what they feel -- to feel their true needs so strongly, to find their values so meaningfully, that they can be moved to purposeful action." But there is more to communication than just motivation and value shaping. Warren Bennis and Burt Nanus write, "Leaders articulate and define what has previously remained implicit or unsaid; then they invent images, metaphors and models that provide a focus for new attention. By doing so they consolidate or challenge prevailing wisdom.

In short, an essential factor in leadership is the capacity to influence and organize meaning for members of the organization. Communication creates meaning for people."

To a certain extent, Lincoln was viewed as plain-speaking. Boards and managements would do well to embody Lincoln's simple, straightforward approach, especially when sending complex messages that can be easily misread. Messages are more often heard when the communicator is honest, sincere, and succinct. In other words, say what you mean and mean what you say. Boards must walk the walk and talk the talk!

LINCOLN ON LEADERSHIP - ENDEAVOR TO SUCCEED AND COMMUNICATION

(Continued from page 13)

In communicating messages to constituents, boards and managements would do well to speak in simple and familiar terms as people without any pretense of superiority. Boards and management would also do well to recognize that the power to motivate people resides almost solely in the ability to communicate effectively. Sometimes with banks, private conversations are much more important than public speaking. It provides direct contact with the individuals who are performing the work. Chatting informally with one or two employees will allow a leader to pick up more subtle nuances of how people actually feel and think, and loyalty is more often won through such personal contact than in any other way.

♦ **Preach a vision and continually reaffirm it.**

Banking institutions prosper or die as a result of the board's and management's ability to embody and communicate the bank's vision. How a director or management influences others very much dictates the health of that bank and all of the banking constituents. This basically boils down to the issue of vision. So much strategic planning focuses on the vision and mission, and boards must recognize that they are the keeper of the vision.

Management, with the board of directors, is given the responsibility of preaching the vision; boards and managements must know where they are going; they have to be able to state it clearly and concisely; and they have to care about it passionately. For some banks, the vision/mission is the best-kept secret. That does not work for a bank to be a consistent **"Premier Performer."**

It is well known that throughout the Civil War Lincoln, through his speeches, writings, and conversations, preached a vision of an America that has never been equaled in the course of American history. Lincoln provided exactly what the country needed at the precise moment in time: a clear concise statement of the direction of the nation and justification for the Union's drastic action in forcing civil war. In short, Lincoln provided grass-roots leadership. His vision was simple, and he preached often. It was patriotic, reverent, filled with integrity, values, and high ideals and, most importantly it struck a chord with the American people. It was the strongest part of his bond with the people. What is the statement for your bank in these troubled times?

Boards and managements can learn from Lincoln to provide a clear, concise statement of the direction of the bank and justify the actions it takes. Everywhere management or a board goes at every conceivable opportunity, they have to reaffirm, reassert, and remind everyone of the basic principles upon which the bank is based. While Lincoln strategically and purposely asserted his vision, it's important to realize that doing so fit naturally into his overall leadership philosophy. Effective visions and organizational mission statements can't be forced upon the masses. Rather, they must be set in motion by means of persuasion. Boards and managements that can utilize persuasion rather than dictatorial action are those who can achieve consistent performance. A bank's partners must accept and implement them wholeheartedly and without reservation. When this is realized, it is almost always done with enthusiasm, commitment, and pride. Boards who truly accept vision tend to foster innovation, risk taking, empowerment, and

delegation. The whole concept is win-win. If everybody is on the same page, if everybody understands the direction; if everybody is a contributor, then the success of the bank is assured.

Lincoln managed by walking around and employing an open-door policy. This is not a time to hide! We continue to encourage boards and managements to get to know all of their partners, to be familiar, and to be accessible as a means of getting the word out and living the vision. Throughout his presidency, Lincoln kept repeating and renewing his vision so as to avoid the diminishment of its meaning. The process of renewal was, in effect, Lincoln's greatest form of motivation.

Over time, as values decay and enthusiasm dwindles, leaders must constantly provide a rejuvenating process, such as an annual strategic planning meeting. In Lincoln's case, the fight against slavery was already an age-old issue, and civil war was a culmination of decades of conflict. It was time to renew and regenerate values.

Lincoln reminded all citizens why the United States was formed in the first place, just as all leaders should remind subordinates why their organization was formed in the first place. Boards and managements have a unique opportunity, through strategic planning, to let all partners know where they've been, where they are, and where they're going. When effecting renewal, Lincoln called on the past, related it to the present, and then used them both to provide a link to the future. A fantastic example was the Gettysburg Address. Lincoln, in only two minutes, reminded the nation what the Civil War and America itself were all about.

LINCOLN ON LEADERSHIP - ENDEAVOR TO SUCCEED AND COMMUNICATION

(Continued from page 14)

[The Past]

Four score and seven years ago our fathers brought forth on this continent, a new nation, conceived in Liberty, and dedicated to the proposition that all men are created equal.

[The Present]

Now we are engaged in a great civil war; testing whether that nation, or any nation so conceived and so dedicated, can long endure. We are met on a great battlefield of that war. We have come to dedicate a portion of that field, as a final resting place for those who gave their lives that that nation might live. It is altogether fitting and proper that we should do this.

[Renewal]

But, in a larger sense, we cannot dedicate — we cannot consecrate — we cannot hallow — this ground. The brave men, living and dead, who struggled here have consecrated it, far above our poor power to add or detract. The world will little note, nor long remember what we say here, but it can never forget what they did here. It is for us the living, rather, to be dedicated here to the unfinished work which they who fought here have thus far so nobly advanced.

It is rather for us to be here dedicated to the great task remaining before us — that from these honored dead we take increased devotion to that cause for which they gave the last full measure of devotion — that we here highly resolve that these dead shall not have died in vain — that this nation, under God, shall have a new birth of freedom —

[The Future]

and that government of the people, by the people, for the people, shall not perish from the earth.

Why can't the strategic plan of a bank do the same thing? Why can't quarterly communication to shareholders do the same thing? Why can't boards and managements continually renew themselves and provide effective leadership through communication to all of their partners? The process of renewal releases critical human talent and energy necessary to ensure success. Lincoln is the perfect example of a transforming leader, as defined by James MacGregor Burns, "a person who aims for the evolution of a new level of awareness, an understanding among all members of an organization. Such a leader rejects the use of naked power and instead attempts to motivate and mobilize

followers by persuading them to take ownership of the role in a grander mission that is shared by all members of the organization."

Lincoln knew that true leadership is often realized by exerting quiet and subtle influence on a day-to-day basis and by frequently seeing followers and people face to face. He treated everyone with the same courtesy and respect, whether they were kings or commoners. He lifted people out of their everyday selves into a higher level of performance, achievement, and awareness. He obtained extraordinary results from ordinary people by instilling purpose in their endeavors. He was open, civil, tolerant, and fair, and he always maintained respect for the dignity of all people. Lincoln's attitude and behavior as President of the United States essentially characterized the process that symbolizes decent relations among human beings. Abraham Lincoln was the essence of leadership. Boards and managements can learn from simple words, a decisive hand, open dialogue, and commitment to the vision of their banking institution. The time is now for leadership -- time to step up and make a difference!

Gary Steven Findley, Editor