

Servant Leadership Focus is a monthly newsletter to promote and stimulate servant leadership ideas and tools into the Viox culture.



ISSUE HIGHLIGHTS:

- ❖ **In Charge: Finding the Leader Within You** by Myles Monroe
- ❖ **Servant Leadership** by Robert K. Greenleaf
- ❖ **Economics: What makes ego our greatest Asset or most expensive Liability** by David Marcum & Steven Smith
- ❖ **Topic: Humility**

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TRANSFORMATIONAL STORIES

Phil Carroll, former CEO of Shell Oil

Shortly before he retired as CEO of Shell Oil, Phil Carroll reflected on his personal journey as CEO by saying, “Every process of transformation begins with you. It has to start with personal change. The abstraction of corporate transformation—that’s a result, that’s not a method.” He talked about how difficult the journey had been. “I had to do a lot of soul searching about how I behaved, what I thought was important. Were my personal objectives and aspiration consistent with what I would try to hope for in the company.”

One of his greatest discoveries that “vulnerability is a very important element in leadership. If you’re not willing to make yourself vulnerable, then you can’t provide good leadership.” Phil and other CEOs I have known have discovered a paradoxical quality of leadership: Vulnerability can actually increase your effective power. When he became CEO, Shell Oil was coming off of one of its worst financial crises in history, including record layoffs, “Everyone expected me to tell them what we were going to do,” said Carroll. “But I knew that I didn’t have the answer.” By being honest about it, he communicated a

signal that many others would have to step up to their own responsibility to help shape the future. One result was an outpouring of creative initiatives in the ensuing years that eventually contributed to record profitability. Another outcome was a strong internal network of leaders, especially younger leaders—many of whom are in important positions in Shell worldwide. Carroll concluded that there are “two qualities of leadership that ought to be present, whatever the situation or the style of the individual.” The first is “humility—if you’re not aware of your own flaws and shortcomings and lack of judgment, you will lead people in wrong ways. If you don’t have a fundamental commitment to the truth and telling the truth, you can’t lead. And telling the truth is much more difficult than just not lying.”

As I reflect on Phil Carroll’s comments and similar ones I have heard by others who have come to terms with the ambiguities and challenges of leadership, I am reminded of the acid test of servant leadership. *How do you tell a servant leader is at work?*—“Do the people around the person grow?”

FIRST OF ALL, SERVE

MYLES MUNROE

What is leadership? It is above all, service. A leader is a servant of people. **How do you become a leader by serving?** Simple, you have to serve something to the world. **What do you serve?** You serve your gift. When you find your gift and you serve it to the world, you become great. Greatness happens to you while you are serving your gift and because you are serving yourself to the world. Having others serve you does not make you great. Leadership has more to do with releasing yourself and deploying yourself, rather than employing people.

Whatever your gift in life is, it is not for you to keep it; it is for you to give to the world. God gave it to you. Pass it on. Servant leadership is serving your gift to the world at every opportunity. Servant leadership is serving yourself to the world. Servant leadership is self-distribution to your generation. Distributing yourself.

Servant leadership is being prepared to serve your gift at every opportunity. Stop waiting until you are great to

start serving. Do not put it off until you get your degree, title, or promotion. Clean the bathroom and serve. Make tea and serve. Rearrange the chairs and serve. Run the cameras and serve. Sing in the choir and serve. Mow the lawns and serve. You serve at every opportunity.

If you want to be great, you first have to serve your gift without charge or compensation. *(Go the extra mile, do the little things, nothing is too small for you to do.)* Volunteer your service. I meet people barely out of school who want to charge fees for what they do. I do not understand this, but I tell them, “You can’t even blow your sax well, and you want pay?” *You had better find a mentor who will even allow to stand on the stage or carry the equipment.”*

Our government, military, businesses, schools, and churches need effective leaders who have the people’s best interests at heart. They serve first of all.

TRUE HUMILITY

MICHAEL STABILE

A servant-leader possesses a pervasive spirit of humility. However, humility has a mystery about it that’s both appealing and unsettling at the same time. Traditionally, the word humility or being humble is known more for what it is not than for what it is. In fact, it is sometimes defined by negative words like: *passive, apprehensive, content, cautious, fearful, hesitant, ordinary, quiet, self-conscious, meek, simple, submissive, soft-spoken, timid, and unambitious.* While humility is an admired trait, there is suspicion about its weakness and for that matter who wants anything to do with humility if it’s incompatible with winning.

What is humility? *Humility is the ability to be you.*

The word comes from the Latin word “humus”, meaning earth. *Humility denotes earthiness or an awareness of one’s true essence.* Being humble, therefore, does not mean degrading or reducing oneself in the estimation of another, but rather having an awareness, acceptance, and appreciation of one’s true worth and value. *Humility is not self-serving, but selfless service.* It is the opposite of selfish ambition—ambition does not take others into account. Thus, one cannot decide to be humble because it is not something you decided to be; it is what you are. Servant Leaders are individuals who have or are in the process of discovering their true selves and know who they are. Therefore, true servant leaders are naturally humble, in the full sense of the word.



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The EGO Balance Sheet
David Marcum & Steven Smith

Early Warning Sign #1 Being Comparative:

Ironically, being too competitive makes us less competitive. By fixating on someone else, we give up our potential in the name of becoming "better than" or a t least "as good as" someone else.

Early Warning Sign #2: Being Defensive:

There is a vital difference between defending an idea and being defensive. The motive behind defending an idea is to let the best argument win. When we're defensive, we defend our positions as if we're defending who we are.

Early Warning Sign #3: Showcasing Brilliance

Showcasing brilliance isn't about making our brilliance visible—it's about making it the center of attention. The more we want or expect people to recognize, appreciate, or be dazzled by how smart we are, the less they listen, even if we do have better ideas.

Early Warning Sign #4: Seeking Acceptance

Leadership is best reserved for those who don't need a leadership position to validate who they are. Being aware of what people think is a sign of great leadership. Becoming oversensitive to what people think of us keeps us from being true to ourselves.

Coaching reminders:

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What is humility? *Humility is intelligent self-respect that keeps us from thinking too much or too little of ourselves. It reminds us how far we have come while at the same time helping us see how far short we are of what we can be.* With this definition in mind, let's explore the relationship between ego and humility. For most people, tradition holds that the opposite of ego is humility, when in fact having too little ego is just as dangerous and unproductive as having too much.

Since the properties of humility exist only at the equilibrium, when we're on center, our talents stay true to form. **But since there's a natural tendency to deviate from the equilibrium, when we move just right or left of center (ego empty or egotistical), we begin to lose humility.** As a result, our strengths morph into counterfeits—that is, into subtle weaknesses. Imagine that the spectrum of ego is magnetic, with the strongest pulling coming from two ends. At the center, the magnetic pull on either side had little effect on us. But the closer we are more to the extremes, the more the magnetic pull affects us and the harder it is to make our way back. The longer we stay off-center, the more comfortable we become being off-center. If we don't quickly recover, we're more likely to develop egotistical or egoless habits.

Ego doesn't suddenly pull us to the extremes and twist us overnight into egomaniacs (or egoless creatures) or lead us to believe we're above the law. But once we're in the habit of being off-center, we do slowly start to believe

EGO AND THE BOTTOM LINE

Ego is the invisible line item on every company's profit loss statement. It is the unseen—but not unfelt—force that ultimately decides whether a team is held back by performance that's "good enough," or breaks through that barrier to reach great.

And because ego's subtly out of sight on the P&L, that's precisely why for decades, if not centuries, we've become no better—and maybe no worse—at managing the most pervasive, powerful force inside of every person on every team in every company.

But despite the negative reputation of ego, it isn't purely a loss. On the profit side, ego sparks the drive to invent and achieve, the nerve to try something new, and the tenacity to conquer adversities that inevitably come. Surprising as it may sound, many people don't have enough ego, and that leads to insecurity and apathy that paralyze teams and leaders.

Invested into every team meeting, boardroom debate, performance review, client conversation, contract negotiation, or employment interview is the potential for ego to work for us or against us. If we manage ego wisely, we get the upside it delivers followed by strong returns. But when the intense, persistent force inside manages us, companies suffer real economic losses.

Over half of all businesspeople estimate ego costs their companies 6 to 15 percent of annual revenue; many believe that estimate is too conservative. But even if ego were only costing 6 percent of revenue, the annual cost of ego—as estimated by the people working to produce that revenue—would be nearly \$1.1 billion to the average Fortune 500 Company. That \$1.1 billion nearly equals the average annual profit of those same companies. But whether ego costs us 6 percent of revenue or 60, when people estimate those costs, what are they thinking of? Usually the last time they crashed into someone's ego or the latest headlines.

Under the leadership of David Maxwell and then James Johnson, Fannie Mae delivered unmatched performance from 1981 to 1999, beating the general stock market 3.8 to 1. Fannie Mae was listed as one of the only eleven

we're above other things: reproach, being wrong, being questioned, the need to prove we're right, having a bad idea, following the lead of others, and so on. Being consistently off-center leads us gradually toward extremes.

When an entire culture or team is off-center, it's rarely the responsibility of only one person, but the imbalance can't start without the permission of at least one person and the steady agreement of others. That's what makes the four early warning signs of ego (*see highlighted section in the gray box on left: The Ego Balance sheet*) so valuable: they let us know we're being pulled off-center, and therefore losing talent. But whether we're consistently or momentarily off-center, ego's drive is so strong, only humility can pull us back.

Terminal uniqueness thinking is thinking we're uniquely qualified to behave the way we do—that we wouldn't be successful as we are if our behaviors or attitudes were destructive. **That belief blinds us to what is happening to us and around us.**

Consequently, we may not get worse, but we also don't get better. *As we drift further from humility, ego delivers the misleading message that we're finished. Humility reminds us we never are.* We can't stay constantly aware that we're unfinished and therefore constantly improve if we embrace humility's unique properties.

DAVID MARCUM & STEVEN SMITH

companies in Jim Collins study of 1,435 companies in *Good to Great* that created and sustained unparalleled performance, with leaders to match. On January 1, 1999, however, Franklin Raines replaced Johnson as CEO. Five years later, under the pressure from Fannie Mae's board of directors after questionable accounting practice, Raines resigned. "By my early retirement," Raines claimed, "I have held myself accountable."

Ironically, four years earlier, in 2002, Raines was asked to testify before Congress about the collapse of Enron. *"It is wholly irresponsible and unacceptable for corporate leaders to say they did not know—or suggest it is not their duty to know—about the operations and activities of their company,"* Raines told lawmakers, *"particularly when it comes to risks that threaten the fundamental viability of their company."* Raines walked away from Fannie Mae with a retirement package potentially worth \$25 million and total compensation of nearly \$90 million during his tenure. He was replaced on December 22, 2004, by Daniel Mudd.

The headline announced, **"Fannie reaches \$400 million settlement."** The first line of the release read, *"Fannie Mae's 'arrogant and unethical' corporate culture led to an \$11 billion accounting scandal at the mortgage giant, federal regulators said Tuesday in announcing a \$400 million settlement with the company."* Daniel Mudd's leadership was also questioned. *"Fannie Mae thought itself different, so special, and so powerful,"* wrote Bethany McLean of Fortune, *"that it should never have to answer to anybody. And in this it turned out to be very wrong."* It took Fannie Mae almost twenty years to move from good to great, and less than five years to go from great to good to . . . only time will tell.

Often the hardest side of business to master is the human side, and nothing is more human than ego. How we manage ego on the human side affects everything we do on the business side, one way or the other.