



# *Seven Golden Rules of Leadership*

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Thank you, Connie (Glaser). It's great to be here with so many distinguished women leaders.

Leadership has always been a subject of intense importance to me. And during my career I've had the opportunity to observe several very high-level leaders – some good, some not so good. I won't name names, but this talk is based, mostly, on what they taught me. I call this speech the "Seven Golden Rules of Leadership."

Now, wait a minute. You might be thinking: Seven golden rules? We've heard of one – "Do unto others as you would have them do unto you." Right?

That's a fair observation. But I see a class of rules, and the one I just cited, the one that we all know, has all the elements of that classification which I call golden rules – small "g," plural.

They are rules that are:

- Easy to agree with, because we're human,
- Hard to live up to, because we're only human,
- And at times scary to stand up for – because, as Nietzsche observed, we're "all too human," when it comes to issues of status and power.

I call such rules – that seem simple, but challenge our character – "golden rules." And today I'd like to share seven of them that strike me as important.

Let me first get the whole list out on the table. Then I'll go back and elaborate a little bit on each one of them.

- **Golden Rule No. 1:** Everyone's time is valuable. Everyone's. CEO. Newest entry level. Everyone.
- **Golden Rule No. 2:** No temper tantrums. You should never have to say that to anyone after pre-school. But we do.
- **Golden Rule No. 3:** Get to the bloody point!
- **Golden Rule No. 4:** Be candid. Again – both obvious, and hard to do. And requiring an understanding of the difference between communicating and bragging.
- **Golden Rule No. 5:** Just say thank you. And mean it.
- **Golden Rule No. 6:** Integrity is everything. I don't want to work with you if you don't have it.

And, finally ...

- **Golden Rule No. 7:** "If you don't know, who does?" In other words, vision. I'll challenge you to figure out who supplies it if the leader doesn't. Or won't. Or can't. The answer, of course, is nobody does. And you go round and round in circles. I'm going to try not to do that today.

So – let's get to it.

<b>Golden Rule No. 1: Everybody's Time is Valuable</b>
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Use other people's time as you would use your own. It's a pretty simple principle, isn't it? And yet, it's violated every single hour of every single day in corporate America.

Let's start with an economic view, like in Econ 101:

- Nobody has enough time.
- Therefore, time is scarce.
- Therefore, it has value.
- Therefore, we guard it.
- We account for it.
- It can be traded for other things of value.
- And so it shouldn't be wasted.

OK. That's the theory. Here's the practice: People waste each other's valuable time – tens of millions of dollars-a-day worth every single day! And they know it's wrong when they do it.

How do I know that they know it's wrong? Because most people waste time in a hierarchical direction. Meaning, for the most part, we only “waste down.” We rarely “waste up.” Meaning, of course, we don't waste the boss's time.

And on the very rare occasion when we do, we spare no underling's reputation in cleaning it up. “It was a miscommunication. My secretary got it wrong.”

But no such groveling happens, though, when we waste down. Here's an example of what I'm talking about. I worked for a guy once who scheduled weekly staff meetings. I worked in Boston. He worked in New Jersey. So the meetings were, naturally, in New Jersey.

Up at 4 a.m. Fly into Newark. Drive to Morristown. At the conference table by 8. So were a half a dozen other senior people. And there we'd sit. People who could be doing something pretty important with their time – if only to get a normal night's sleep. But there we'd sit, shooting the breeze.

This guy's in his office, a few yards away, on the phone, or talking with someone who's available right down the hall all week.

Even after these meetings got under way, they'd inevitably get interrupted, because the culture this guy had demonstrated to his secretary was that she should come and get him for any higher-level call he might receive.

If you add up the travel and the payroll and the opportunity costs, this is thousands of dollars a week in just plain waste. But it is far worse than that. It is a blatant lack of respect for people.

If we agree with an old southern storyteller, that – and I quote – “Time is the stuff that life is made of,” then a boss who does this kind of thing is taking part of somebody's life and pouring it down the drain.

This is leadership? Maybe in the 15<sup>th</sup> century, when the “divine right of kings” was all the rage. In today's world, “Everybody's time is valuable.” See, it's a golden rule because:

- We all know it's common sense.
- Some people have a hard time living up to it. Certainly the boss that I told you about did.
- And we were too scared to call him on it.

I've grown since then. In those days, I thought the boss was breaking the golden rule. Now I know we both were – because I didn't confront him in an effective way.

To be realistic, you will be late sometimes. When this happens, apologize and mean it; be genuine.

So, that's Golden Rule No. 1: Everybody's Time is Valuable. On to ...

### Golden Rule No. 2: No Temper Tantrums

This one's pretty easy to understand. I guess what I'm saying here is that if you've mastered courtesy – made it part of who and what you are – you're more than half way to being an effective leader.

But if you're bold, and courageous, and dynamic, and visionary, with great skills and wouldn't know courtesy from cotton candy, then you'll never be a truly great leader.

I worked in a company where the president was an abusive screamer. Among other things, he regularly accused people of having unmarried parents. This is not communication. It's abuse.

And guess what happened? Over time, those he abused began to scream at those who worked for them. I labeled this the "Classic Corporate Abuse Cycle Syndrome."

Look, I don't have children of my own, but I've watched my friends and my sister raise theirs. When kids are little and haven't yet learned to control themselves, what happens occasionally? Tantrums, right?

And what does the well-ordered household do about that? Time-out period. They are isolated with instructions to think the incident through and try to understand that they can't behave in such ways. They can't treat people like that. Not as children. Not as CEOs. Not in any leadership capacity.

It doesn't work. It's abusive. It's obnoxious. It wrecks morale. It short-circuits communication. It can ruin a company.

That screaming president I worked for seemed to be doing his best to ruin that company. Of course that wasn't his aim, but the gap between his leadership intention and his leadership result was so wide that they should have called an auditor – or maybe a counselor.

That kind of disconnect feeds a credibility gap that pervades the whole place like a bad smell.

It was especially so in that case because, on the wall of this guy's conference room, there hung a framed statement of the company's values – one of which was: “*Respect for the individual.*”

So, remember Golden Rule No. 2: No Temper Tantrums. On to ...

**Golden Rule No. 3: Get to the Bloody Point!**

I hope you'll notice as we go through these rules that all of them are about communication, because leadership is, in fact, a special case of the larger discipline of human communications.

The content of what we communicate, whether in writing or on our feet, should get across what's on our minds in a way our audience can grasp. What a concept!

Self-evident, you say. Well, let me read you a message to employees of a large firm:

*“The Business Services Leadership Team will enhance the organization in order to continue on the journey toward a Market Facing Organization model. To that end, we are consolidating the Object Management for Business Services into a cross strata team.”*

What, may I ask, does that mean?

I don't think we'd see so many of these if we all sensitized ourselves to ask:

- What's my point?
- Would my mother understand this message?
- How, exactly, do I want understanding to change as a result of this communication?

Let me say a word or two about each of those tests.

- ***What's my point?*** In the newspaper business, the challenge any editor will throw back at a story idea is: “Give me a lead. Give me a headline” – meaning, if you can't make a point in one sentence and then summarize it in five words or less, you better go think about it some more.

Peter Lynch, the renowned mutual fund manager, said essentially the same thing. He said that if a CEO could not tell the company story in less than two minutes, something was wrong.

There's the legend of the Hollywood producer who demanded that movie ideas be submitted to him on the backs of business cards.

Ask yourself before you speak: "What is my point?"

- My second test: *Would my mother understand this?* Now, my mom is a smart lady, but she knows very little about the telecommunications business. So, if it would make sense for her, I know it would make sense for other people.
- And my third test: *How do I want people's understanding to change as a result of this communication?* In other words, the whole object of communication lies in some "delta." Some change in the way your audience understands the situation.

Leadership communication is not elevator music. You've got to know what your purpose is. Don't leave people guessing at it.

Now, I hope these three tests imply that our communication needs to be focused, and short. It is the height of arrogance to subject people to a rambling talk and leave it to them to find the significance. They won't.

In Thomas Jefferson's memoir, there's a passage about George Washington. Now, the two men were not friends. But Jefferson admired his rival's communication strategy. He wrote that Washington – and I quote – "never spoke for longer than 10 minutes, and never but to his main points."

So remember Rule No. 3: Get to the Bloody Point!

#### **Golden Rule No. 4: Be Candid**

How can any company have so much good news? It's amazing how – to read the company newspaper or Web site – everything is always "Good and getting better."

The only problem is: Everybody knows it just isn't so. Company newspapers can easily become public documents. I understand that. But when "happy talk" becomes the only language senior leadership speaks – even in closed meetings – then I worry.

That doesn't mean you shouldn't be happy. You should be happy. But I, for one, am happiest when we're converting opportunities to cash and converting problems to solutions.

That's why we're there. We love to build things, create opportunities, solve problems. Why be ashamed to have problems?

But what does the company communication apparatus choose to share – almost exclusively? Unambiguous triumphs.

That's not communication. You know what that is. It's bragging.

These people who work for you are on your side. They're your friends, your teammates. What do you talk about with your friends? Do you sit them down and brag to them? Of course not! Friends are the people you share your plans and problems with.

Treat the people who work for you like that, and – guess what? First, the bonds of shared interest get so much stronger. And then – amazing – some of those problems start getting solved.

It all starts, however, with Rule No. 4: Be candid.

Now, for every problem that gets solved, we better remember ...

#### **Golden Rule No. 5: Just Say Thank You**

Several years ago, there was a big flap over a corporate CEO who got paid \$60 million for a year's work.

Today, we might say, "How quaint. A CEO paycheck of only \$60 million caused a flap?" But back then, it was a very good year for soda pop. And I happen to believe that the marketplace paid that guy.

But this happened just after Time Warner gave Madonna a \$60 million contract. And in the pressure of the moment, the PR guy for the CEO under fire said: "Look at what Madonna got. What's the difference?"

The difference is fairly apparent to me. Madonna is the whole show. And this guy was definitely not.

We in leadership have to remember: We are not the whole show. In the real world, the show is you and a whole lot of other people.

If you want them to be excited, passionate and committed, and keep it up for the long haul, then say thank you – lots and lots! I don't mean the phony stuff. I mean noticing and acknowledging good work, privately and publicly.

I also happen to be a big believer in telling people early and often that you're counting on them. But how can anyone have the nerve to say, "I'm counting on you," and then not acknowledge when the deed is done. It doesn't work. Expecting great things, and then celebrating great things – that works.

Let me close this one by going back to Madonna. A few months after the big flap, a film documentary about her world tour came out. (That was a couple of world tours ago.) It was two hours of Madonna acknowledging the people who support her. The band. The lighting guys. The people who carry stuff. And every scene, closed with her in some special person's face saying, "Thank you, you're great."

Successful lady. That maybe isn't how she got where she is. But it's sure how she seems to stay there.

Twenty years after starting out in an industry that eats its young, she's still making music, still making movies, because she follows Rule No. 5: Just Say Thank You.

#### **Golden Rule No. 6: Integrity is everything**

Somebody once described competitive business as "a never-ending search for the discontented" – meaning, of course, customers who are dissatisfied with their current suppliers – whether it's Internet access, or frozen peas, or child care.

The market is that huge, amorphous network of "better mousetrap" wannabes, and as such can be convincingly described as one of civilization's most effective providers of human welfare.

Now, money is the marker we use for keeping score in this massive contest to be of greater service to other people. And money, unfortunately, has an image problem.

This is nothing new. In the 3<sup>rd</sup> century B.C., a Greek philosopher said, "Money opens all gates, including the gates of hell."

The financial guys at Enron and WorldCom might have benefited from reading some of that Greek philosophy. I personally find it hard to believe how bold and brash their actions were. Kind of like plagiarizing Cliff's Notes for your college thesis.

They lost sight that money serves a purpose, but it's not the only purpose.

If leadership is about rational thinking, I hope we in this room can agree about the nature of money: a constructive score-keeping system, with more of it appearing on your income statement as more customers decide that you're doing a good job, as compared to the alternatives.

And that's why I have no trouble at all rallying everybody who works with me to run up the score. It's fun to make money. It's affirming. It tells us we're making ourselves useful to other people. But all of us who work for investor-owned businesses need to make sure we never forget: It is not our money.

When we sign on, we make a solemn promise to the owners of the business that we will be honest and faithful stewards of their money. Meaning we won't waste it, and we won't tolerate others wasting it.

So it's especially disturbing to see some CEOs conferring on themselves the perks of royalty. In my view, any CEO who uses company money to buy a \$2,200 wastebasket, a \$6,000 shower curtain and a \$15,000 umbrella stand is just a pretender to the throne. That kind of blatant abuse begins with acts that may not be criminal, but are unethical and immoral.

Too often through my career I've been at management dinners – no customers – and I see \$600 bottles of wine being ordered. Think about the message that sends out through the whole organization. And don't ever think such attitudes don't spread and infect the whole firm. Leadership, after all, is about communicating values. And deeds trump words any day.

The message in that bottle is this: Some sales representative and a couple of technicians, supported by others, busted their butts to get that \$600 to the bottom line. And their work, as evaluated by the guy who bought the wine, was worth a couple of tasty swallows.

If money is the way we keep track of the good things our employees accomplish for our customers, then who do we think we are spilling it?

I hate hearing it, but you hear it lots in very large organizations: "A million dollars? We spill more than that?" That's arrogance at its height.

If somebody wants to show me he's a big shot, let him take 600 bucks out of his own wallet and buy me a drink. Otherwise, he's just wasting somebody else's money.

If you want to be a successful leader in business, here's the secret to Rule No. 6: Treat it like it's your own money, and never forget that it's not.

But there's more to honesty than looking out for other people's money. A consortium of business schools asked the chairmen of *Fortune* 500 companies to write letters to their students. These letters were bound in a book and provided as a kind of mentoring anthology for students interested in management careers.

A chairman for the company I worked for at the time closed his letter with some words about a leader's reputation for integrity. I'd like to share them with you. He said:

*"In whatever organization you find yourself, remember that people talk. And it's not all idle gossip. Our cultures learn to protect themselves by getting the word around about people whose honor is doubtful. You'll never be any more valuable than your word.*

*"I don't mean this as a warning" he continued, "but as an opportunity – because, by the same token, healthy organizations also spread the word about people of incorruptible honesty. So tell the truth, deliver what you promise, let your caring show, and you'll be noticed. In fact, they're searching for you right now."*

Which explains pretty well for me why people starting out in business have every incentive in the world to remember: Rule No. 6 – Integrity is Everything.

Finally, we come to ...

#### **Golden Rule No. 7: If You Don't Know, Who Does?**

This is that old "vision thing." I saved it for last because it is the leader's quintessential role. Nobody else can do it. The facts do not speak for themselves. Nor can the role of setting direction be delegated.

Think about it: "My deputy seems to know where we're going...." Is that not ridiculous? We laugh because it's a farce in the making.

The leader has to do what? LEAD?

"If the people hear an uncertain trumpet, who will prepare for battle?" Nothing leads like certainty. Not just your certainty in what you say, but also their certainty. Their certainty that they heard you, that they understood you, that you meant what you said, that your excitement is genuine, that there isn't some unsaid piece that basically invalidates what you did say.

If the people hear a certain trumpet, they will prepare for battle. You, at the end of the day, have to sound the trumpet.

- Rallying people to do more than they thought they could.
- Rallying people to think more imaginatively than they have in the past.

- Rallying people to pull together with the conviction that they do, indeed, share a set of goals and values that bind them together.

Communications coach Roger Ailes was right. If you are the leader, then “You are the message.”

In the end, it’s your vision, your honesty, your caring, your respect for customers, and employees and shareholders that people will follow.

In the end, it’s your self-discipline, your truthfulness, your excitement and commitment that people will emulate.

In the end, it’s how clear you make the message, how close you watch the money, how bravely you share the problems, how widely you spread the praise. These things will determine what you can do with the gifts you’ve got.

And, remember: If you lead well, then the most potent of those gifts will be the one you’ve created – a winning team that believes you’re worth following.

Thank you, very much.