

Leading with a Whole New Mind:

Daniel Pink's Memo for Tomorrow's Leaders

Joshua Freedman

Daniel Pink discusses his latest book, A Whole New Mind, with emotional intelligence expert Joshua Freedman, and identifies key skills for leaders in a changing marketplace.

What do you get when you add up designer toilet brushes, Frappuccinos, increasing obesity, innovation and outsourcing? According to trend-watcher Daniel Pink, it's a new business climate -- that calls for a new breed of leadership.

To thrive in the era of the three As – Abundance, Asia, and Automation – companies have to offer significance above and beyond product value. And leading this kind of business takes special talent – talent that's increasingly hard to find.

The business challenge begins with a changing marketplace, and continues with a new generation workforce. Pink says businesses will find it increasingly challenging to hold marketshare. "Today you have to have the ability to do something that's hard to outsource, hard to automate, and that satisfies some of the nonmaterial demands of this very abundant age. An age where many consumers in the West have had



What do you get when you add up designer coffee, a Prius, and the marketshare of companies like Whole Foods?

their basic material functional needs satisfied or over satisfied. The way you stand out in a crowded marketplace is to appeal to spirituality, emotion, aesthetics, and so forth."

The abundance of the current Western economy translates to a glutted market. With a dozen places for gourmet coffee, why turn to Starbucks? With more cars owned in America than there are drivers, why will someone buy a Prius?

Pink says "this puts a



premium on aesthetic, emotional, and even spiritual aspects of goods and services.” This explains why self-help and spirituality remain booming, why a 3-star “middle America” hotel puts aromatherapy and guided meditation in executive rooms, and why there is a line for back massage in the Chicago airport. Sometimes called the “LOHAS” market (Lifestyle of Health and Spirituality), there is a trend Pink calls the “accelerated the search for meaning” that a few exceptional leaders are poised to serve. These leaders are metaphorically using “right-brain” skills of creativity and relationship-building (there’s no neurobiological evidence of the right/left brain concept, but it’s a catchy metaphor).

“It’s not just a psychological phenomenon,” Pink says, “but an economic one based on supply and demand in this world of abundant choices. You have consumers who want products and services to be not only functional but to have some kind of other appeal. This is why we have designer toilet brushes – people are willing to pay a little bit of a premium for a toilet brush with a little style. This is why people are willing to pay a premium to drive a Prius. If you do the math, a Prius is not going to save you money for gas but people don’t even care -- they are willing to pay a premium for the significance of having fewer emissions.”

The other two As pressuring our economy are Asia and Automation. “Asia means any ‘left-brain’ work can be done cheaper overseas, so that is where it is going to go. The same thing is happening with automation: routine left-brained white collar functions – take tax preparation, legal work, even some kinds of medical diagnoses – can be operated by software.” Pink says to



A globalizing economy is one of the drivers requiring a new breed of leaders.

compete today, get in business that is “hard to outsource, hard to automate, and yet delivers significance along with utility.”

The “green and healthy” Whole Foods market chain is a prime example. “Again we have an abundance of food today in our country – this is why hunger has receded as a public problem and obesity has crested as a public problem. We have an abundance of food, so if you are trying to attract middle-class and upper-middle-class customers, you need to go beyond just selling food itself. One of the secrets to Whole Foods’ success it offers some kind of significance along with good product.”

Against this backdrop of socio-economic change comes another factor that clinches the need for “a whole new leadership.” Continuing the theme from his last book, *Free Agent Nation*, Pink says, “Organizations need talented people more than talented people need organizations, so leaders have



to make sure the talent is happy and satisfied.” How? By giving employees the same kind of value that companies must give consumers, by standing out in the marketplace, and by building one-to-one relationships.

What does it take to lead and grow this kind of company?

“Part of it is simply saying the purpose of this business is to do more than simply make widgets. The point is to make a product that satisfies a need -- and that makes people’s lives better. You see it in a company like Whole Foods. Whole Foods CEO John Mackey says the mission of Whole Foods is to improve the health and well being of everyone on this planet -- it is not just simply ‘lets get our third quarter earnings 3% higher than last year’s.’”¹

There are two common obstacles to this vision. One is that “old guard” leaders have a hard time seeing the business case. They look at successes like Whole Foods, Southwest, or Google and want some of the cache, so they turn the problem over to corporate communications and end up with catchy slogans no one really believes. Do they succeed?

“I don’t think you can get away with that in a world that is transparent. In a world where if Freedman Enterprises says we have this broad public mission and profits are a means to that, and then in practice they do not deliver, someone will expose the lie and put up a website called freedman-

¹ Mackey is the CEO, Whole Foods has been in the Fortune 100 Best Companies to Work For every year since '98. Annual sales growth has been around 32%, 2005 sales were \$4.7b.

enterprises-sucks.com. The more information consumers have, the more transparency. So yes, market trends may have pushed more companies to claim a transcendent mission, but if they are inauthentic they get found out and end up losing value.”

In other words, authenticity is the key to gaining the value of a transcendent purpose. The central paradox: If you want to make money in the new economy, money can’t be your primary driver. Even companies with the best of intentions get caught in this trap – like Google’s very public mantra of “do no evil” thrown back in their faces when they agreed to deliver censored content in China. “When Google says ‘do no evil,’ they raise the bar. And we know exactly what Google is doing because we can Google them. Now that did not change their decision about China, but it elevated the pressure on them.”

The purpose has to be central to the business. “At Whole Foods, John Mackey is saying: we need to make profit in order to fulfill this mission. Profit and purpose are intricately connected. It’s not the typical anemic ‘corporate responsibility’ where we go and rapaciously make money and then we throw a few dollars at charity. This is how you stand out in a crowded marketplace – and also how you attract talented people.”

“Talented people need organizations less than organizations need talented people. As a result they want to go work at a place with a transcendent purpose. Sometimes people’s mission is to provide for the family and to some extent does it matter if they buy into the company mission, but in an



ideal world the company and the person are aligned.”

For purpose to pervade an organization, the leaders need to be on fire – not just with making money, but with making money as a means to something larger. Then they need to walk that talk in their daily interactions so the attitude pervades the company. This is the final outcome of Six Seconds’ Model of Emotional Intelligence, a competence called “Pursue Noble Goals.” As Pink points out, while the skill has an altruistic flavor, it’s becoming increasingly critical for business survival.

In a brewing war for talent, Pink says living these skills is central to success: “So you have Jeff Immelt at GE talking about how if you want to be a great company you have to be a good company. The reason that people

come to work for GE is because they want to be about something bigger than themselves.”²

This drama has been on the front pages recently with Google and Microsoft duking it out for top talent. It remains to be seen if censored content in China compromises the value of “Do No Evil” – and if that causes Google to lose some of their brain trust.

Just as some organizations are forming new kinds of relationships with consumers, Pink points out that leaders of the future need a different kind of relationship with their people. While some cling to a notion of treating everyone “equally,” enduring relationships break the mold. “The leader needs to treat everyone differently because everyone is different. Everyone has different strengths, different aspirations, and different attitudes. It is important for the leader to understand that, and treat people with not only respect, but as individuals. The leader needs to understand where they’re coming from, to understand the story of their lives, to understand their aspirations, to understand where they fit into the grand scheme of things.”

“This style of leadership is still rare right now. A good example of this is Howard Schultz at Starbucks. Schultz is the quintessential leader in this regard. He is not a top down guy, he is spending a lot of his time listening and putting the right

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Jeffrey R. Immelt
Chairman & CEO, GE

² Immelt became the CEO of GE in 2001; on GE’s web site Immelt writes, “We must be a great company—with the capability, reach and resources to make a difference. But we must also be a good company—because true impact means defining success in ways that go well beyond the bottom line.”



people in the right places. He is letting ideas bubble up from the ground. I know it is not a life-changing innovation, but a Frapuccino is a good example of this.”

Pink’s discussion of the emotional brand value, building

meaningful individual relationships, and the importance of an authentic pursuit of purpose leads right into the importance of emotional intelligence.

The three main pursuits of EQ (according to Six Seconds) lead to the differentiators Pink identifies. The

competencies are measurable through an highly effective assessment called the “SEI” Six Seconds Emotional Intelligence Assessment (www.6seconds.org/tools/sei).

The first set of EQ skills, called “Know Yourself,” are about emotional awareness. This lets leaders tune into their own inner landscape, and in turn recognize the subtle dynamics of teams and of the emotional brand.

The second area, called “Choose Yourself,” is about managing reactions to respond rather than react. These “cool under fire” skills

foster healthy relationships and let leaders meaningfully engage with their people.

The final pursuit, which Six Seconds calls “Give Yourself,” contains the skills leading on purpose. This lets people recognize

what’s most significant and put that into action on a daily basis –with full commitment and authenticity.

Teaching these emotional intelligence skills to leaders requires getting them to focus their attention inward as well as outward. “We tend to think of leadership as something you do externally. In that case,

teaching leadership is about focusing on the goals and lessons and rules to apply externally. You are raising the questions about what it means internally. As you guys have discovered long ago, the good leaders are the ones who are comfortable in their own skins. They understand what they are about -- they understand their purpose in life and their strengths. They have a level of comfort with themselves that leads to a level of comfort with others. We don’t teach leaders enough of the sort of introspection you mentioned.”



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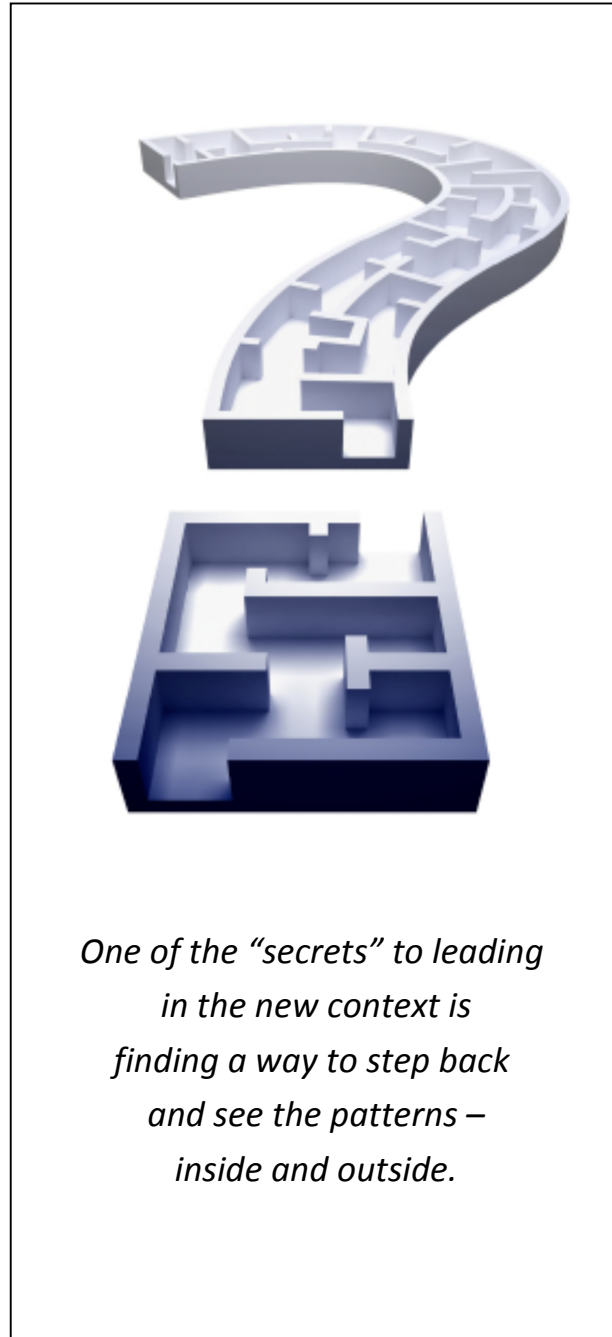
When leaders learn to attend to the emotional landscape that lives “just beneath the surface,” they are able to turn that awareness outward as well – even when the pressure mounts. “A lot of what they need externally comes down to just understanding other human beings. This is a skill that is reasonably well programmed into their genes, but sometimes vanishes in a business place.”

The leaders for tomorrow, Pink says, don’t fit the old mold. “Neither charisma nor command its control will get optimal results in a right-brained economy. What’s needed is very idiosyncratic – it’s one-on-one and it’s personalized.” So skills that facilitate enduring relationships will increasingly become the currency of leadership excellence.

Emotionally intelligent leadership looks and sounds different. It’s about building trust through mutual respect. “This kind of leadership deviates from the ‘stand at the top of the pyramid barking orders’ macho image of leadership that prevailed in the past.”

Letting go of the “macho image” and treating people as people requires getting out of ego. All too often leaders “boss” because it quiets and underlying fear of loss of control and status. In other words, the power play reinforces their self-image as confident and strong. Which would be fine except real confidence and strength comes from within – not from people too intimidated to tell the truth. That’s why Six Seconds uses the phrase, “Give Yourself” – it’s about putting yourself out there (a la “servant leadership”) rather than focusing on what status you’ll get in return.

Maintaining real dialogue requires a kind of humility, and it is challenging. “Especially,” Pink points out, “if you are doing it in a context of a middle management and some of the senior types have not gotten this memo about this new kind of leadership. They say ‘what is Josh doing dancing around talking to everybody?’”



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“They just see it is easier to climb on top of the pyramid and give orders than it is to go into Fred’s office and find out what makes Fred tick and then go into Jane’s office and find out what makes Jane tick then go into Maria’s office and find out what makes Maria tick.” The long term result, though, is a level of trust and buy-in the “pyramid shouters” will never reach.

Another key skills Pink identifies is “pattern recognition,” which is one of the basic competencies of “Know Yourself.” “I actually did not talk about recognizing patterns in our own behavior,” say Pink, “though I think that is very important wish that thought had occurred to me a year and a half ago.” There are two sides of this awareness, Pink points out, “recognizing patterns in others’ behavior as well as your own. What I am talking about is looking at a situation and seeing the big picture not just the accumulation of details.”

In either case, leaders need to learn to step back and observe. We all get caught up in the immediate demands of the daily toil, the particulars, and it becomes extremely

challenging to see the patterns. “Sometimes you need to stop and take a step back and focus on the bigger broader pattern. Programmatically and operationally it takes building in time -- like half an hour of reflection, meditation, reading outside of their disciplines – so you come back to the particular with a fresh mind.”

This “stepping back” requires refocusing on what truly matters, “but there is this quarter-to-quarter mentality. Most of these folks are not bad people -- they are trying to do something worth-while and they are trying to get through the day under intense pressure. The pace, especially for publicly held companies, can cause people to deviate from the pursuit of significance.”

In a kind of Six Sigma run amok, the quarterly pressure is exacerbated by too much focus on the wrong metrics. “There is an attitude of constantly measuring things, but they focus on what is easily measurable. Its hard to measure significance -- it is easier to measure stock price. Constantly measuring things that are measurable can undermine significance and it can also undermine performance.”

We get what we measure. So if leaders got the right metrics on their dashboard, if they watched the most significant drivers of value, the data would be invaluable. Instead, we measure what's easy. Stock price being a prime example; does the ticker bounce in time with solid decisions and exceptional leadership? Not likely. So companies get constant feedback that is not indexed to their performance. Time recently reported a Google policy that any caught watching the Google stock price at work will be fined one share – maybe



because Google knows enduring value doesn't come from bad data.

"I happen to live near Fannie Mae and they are in deep doodoo about this. They were massaging their quarterly earnings largely so their executives got their bonuses and so their stock prices went up. But it had nothing to do with the company's real purpose. Focusing on the wrong data led to risking bringing down their company. Again we can argue how well they are doing it, but when Google sent their famous letter to the perspective investors about doing good things to the world and not being evil they struck blow, at least a rhetorical blow, against quarterly thinking. They said they were not going to play that game."

From the volatility of markets to Pink's "Three As," it's a time when the old ways of leading just won't cut it. Innovative

companies are working to get ahead of the curve, and putting emotional intelligence training into their leadership programs. However they develop, it's clear that leaders for this era need a new level of awareness.

"I want to underscore the importance of introspection," concludes Pink. "Leaders who are unaware of their own motivations, their own selves, have a hard time truly motivating others. We tend to dismiss that sort of thing as too touchy but it is essential. We have only to look at the evidence of our own experience dealing with bosses and managers. Those who have a sense of self and are comfortable in their own skin are better at the job."

Daniel Pink is the author of *A Whole New Mind* and *Free Agent Nation*, contributing editor at *Wired*, and contributor to *The New York Times*, *Harvard Business Review*, and *Fast Company*. His web site is <http://www.DanPink.com>. His latest book is *DRIVE: The Surprising Science of What Motivates Us*.

Joshua Freedman is the COO of Six Seconds (<http://www.6seconds.org>), the global leaders in emotional intelligence development. Six Seconds has offices in 10 countries, publishes seven validated individual and organizational assessments, and an extensive library of learning and development resources. Freedman is one of the founders of the organization, and he is the author of two books on the business applications of the science of emotion, *At the Heart of Leadership* and *INSIDE CHANGE*. His web site is <http://www.JMFreedman.com>

