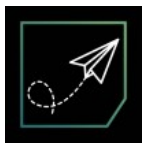




Ron Williams



Art of Leading

Powerful insights from top leaders.

📅 Monthly newsletter

48,265 subscribers

Subscribed

To Assess Your Leadership Team, Ask Yourself, "How's their Forward Radar?"

Published on September 4, 2019



Adam Bryant [in](#)

Managing Director at The ExCo Group (formerly Merryck & Co. Americas)

***Ron Williams**, the former CEO of Aetna, recently published his book, "Learning to Lead: The Journey to Leading Yourself, Leading Others, and Leading an Organization." In our interview, Williams, who is also a director at American Express, Johnson & Johnson and Boeing, shared powerful insights about the art of setting strategy and how high to set the bar for*

members of leadership teams.

Q. You studied psychology before you started your career in business. How has that training helped you become a better leader?

A. It helped me understand better that what people do – and what’s driving their behavior – makes sense to them. And so it’s made me more empathetic about trying to understand what people believe as a foundation for their actions. You have to examine that as a starting point, rather than telling people that what they believe is wrong.

It gave me an additional richness to figure out how to move people by helping examine the underpinnings of the thought process associated with conclusions and observations. It also leads to being able to have conversations in ways that create less stress for the person. When you’re the CEO, everything can come out as accusatory or it can come out as a search for better results.

You really want to understand the embedded assumptions. And once you understand the embedded assumptions, you can have a conversation about them and whether there are other alternatives that could be considered to accomplish what they want to accomplish.

Q. I read in your book about the idea of the “two-up-two-down” system. Can you explain that for me?

A. The example I like to use to illustrate the “two-up” idea is to imagine if you’re in a department that is getting meager resources, with no investment for innovation. From where you sit, you might conclude that the company doesn’t care, and that it’s not doing what it should be doing to help grow this business.

When you go up two levels, you get a broader view that might tell you, in so many words, “This is a mature market. We have a nice franchise. But this market’s not going to grow. As an enterprise, we’re going to

invest in other markets where we think we have really enormous growth potential. Your job is to hold the fort.”

"That broader context also gives you the ability to link your actions to the strategic intention at the higher levels."

And so that two-up gives you the broader organizational view that helps you decide that you're either comfortable holding the fort or that you want to move to a division with more growth potential. That broader context also gives you the ability to link your actions to the strategic intention at the higher levels of the organization so you can be a better team member.

It also helps you understand how the person you work for is being judged and what their role and their contribution is. Go to town hall meetings. Ask questions. Seek out senior executives to spend time with them. Listen to earnings calls. Read the earnings call transcripts. Listen to investor presentations and speeches.

Q. And your point about “two down?”

A. It's about the talent responsibility you have to help people get to where you are. You should be helping the person who has just walked in the door and is trying to figure out, “How do things really work around here? What do I need to do?”

It's not just about reaching down to the people who work for you. It's about giving the same access to what you know to the people another level down.

Q. You were a CEO for six years. What was a key lesson for you

once you got in that role?

A. For me, it was really about chairing the board. I did something that I strongly encourage others to do. I made it a point to go see every board member once a year in their place of business and in their environment, and spend time having a dinner with them to make certain that I had a clear sense of their issues and concerns.

When you've got 11 people on a board, that can create a cacophony of voices. That one-on-one time can help you understand their issues, and it also gives you the opportunity for what I'll call "sense-making" for them. Sometimes the board has perceptions that may or may not be grounded in reality. That one-on-one time was really important to help them share their views, make sure they felt understood, and get their individual counsel and advice.

It was very time-consuming but extremely valuable. You have to recognize that board members have their individual perspectives. And the committees collectively have their perspectives. The board as a whole has its perspective, and some groups within the board have their perspectives. There can be multiple vectors that you have to be attuned to and understand.

Q. A lot of senior leaders we work with wrestle with the challenge of setting clear priorities. How did you do that?

A. The whole process of strategic planning, operational planning and quarterly forecasting was an area of deep focus for me. The simple way I explain strategy to people is that it's like having a time machine. You get in your time machine, and you go forward five years. You get out, and you observe very carefully everything that's going on. Who is winning? Why are they winning? What's going on? You get in your time machine, and you come back.

"Your strategy is a bridge to the future. That helps with alignment."

Your strategy is a bridge to the future. That helps with alignment. It provides great clarity to the organization because they have a sense of how you define reality and a sense of where you're taking the organization, which helps with hope and aspiration because the vision you have painted is vivid and clear.

It's a belief that if you can get there, you're going to win. When you create a very structured alignment, then you can get this whole ship moving through the water at a very good speed.

That means you really have to have a good understanding of strategy. A lot of people just don't believe in it. They think it's ephemeral. They think the world's going to change, and it will. The purpose of the plan and the strategy isn't because the world is going to unfold exactly the way you think it is. The point is that when it doesn't, you know exactly what to change and what to do.

Q. You're now mentoring CEOs. What is a common theme that comes up in your work?

A. Number one is human capital – really looking at your strategy and asking the question, “Do I have the people necessary to achieve the strategy that I have outlined?” And often you have a strategy, but when you line up the skills, capabilities, talents, and experiences necessary to achieve that strategy, there are substantial shortfalls. I often help people confront that challenge.

The second one is the whole question of transformational change, and that what got you here won't get you there in terms of the team. Is everyone on your team scaling at the pace they need to scale? Is

everyone getting 15 percent better? People can start thinking, "If I just keep doing what I'm doing, that's okay."

But the world has become dramatically more challenging. Your business is bigger. It's more complex technologically. You've got to master those. You are never done.

Q. How do you know where to set the bar in terms of ability for senior leaders on a team? When do you know that a change needs to be made?

A. What you see is that some people aren't evolving with the complexity of the business, and what I'll call their "forward radar" is diminished and keeps getting diminished. They have less of a strategic view of the direction of their function.

The other thing you can judge is the quality of their teams. I always tell people, "Your job is to hire people as good as you or better. If you're hiring people who are earlier versions of yourself, that is a failure."

The quality of their team also leads to what I call their talent footprint. When you look across the organization, where are the people they have recruited and trained and promoted, and are they the leaders of the organization? If they're not, then you've got problems. Those are all markers that I would look for.

Q. How did you make sure your leadership team acted like a team?

A. The first thing is that you have to make it clear that that's the expectation, and you have to make it clear that failure to behave that way is a firing offense. The world is not going to be a perfect place, but there are organizations where the politics are just vicious. The teams form, and when people at the top don't get along, that gives permission

for people in their silos to do the same thing.

You have to spend time together agreeing on the shape of the future and where you're going. I always would say, "Look, you don't have to agree with every decision that I make or whoever is delegated. But you do have to support it just as if you made it, and your team has to support it just as if they agreed with it."

You have to create that expectation, and you have to be very consistent. If you let people behave in ways that are inconsistent with that, then the game is over. It's about "trading in a narrow range," as I call it, and it applies to a lot of issues in leadership, including alignment and clarity.