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Balancing Difficult Decisions, Penny Pennington | Art of Leading

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Penny Pennington, managing partner at Edward Jones, shares her key leadership insights on the act of balancing difficult decisions in this “Art of Leading” interview with Adam Bryant.

Adam Bryant: What’s your framework for leadership?

Penny Pennington: I think of myself as a participative leader. It’s hard in the role that I’m in today, but I still want to participate and play like a peer. If we’re all participating as a team, then I’m called on to make very few decisions.

The other thing about my leadership is that I’m very much an upside thinker. I don’t think of myself as a visionary, but I do think of myself as very ambitious for the sake

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of something better for our clients, for our colleagues, for the communities that we serve. I think that business, with its tools and resources, can do a better job of making the world a better place.

I'm not afraid of ambiguity. I'm not afraid of not knowing how to get to that North Star. I have a tremendous sense of optimism about creating the conditions that enable us to get to a North Star. I'm also very patient. When you're going through change and transformation, patience is a good thing but it's got to be married with the right kind of healthy anxiety. One of the challenges of leadership is balancing accountability and grace during a time of rapid change and evolution.

Q. What are other balancing acts of leadership that you think about?

A. Another is maximizing your core competitive advantage, while at the same time thinking about a transformation of that competitive advantage. So exploit the core, but explore the core so that you can think even more audaciously, innovatively, creatively. Businesses have got to do both today. I really admire businesses and business leaders who have gotten that balance right.

Q. What leadership muscles did you have to build to navigate these last few years?

A. With the speed of change in the marketplace and in the world, the leadership playbook has shifted, and there are a lot of issues that require difficult decisions. For example, we've made some decisions recently about things like return to office. It's hard on people and I deeply understand that.

I've also said to them that it is the job of the leadership team to look out five years into the future, with a very fuzzy crystal ball, and say, "What could happen?" or, "What might be?" And then, with only 20 percent of the information, you have to make a decision that alleviates risks or creates opportunities.

With return to office, we made the decision to alleviate the risk that our culture could falter because we're not spending enough time together. We believe we have an edge when we are together, and that creates opportunity. It's a cultural edge and it's a competitive advantage for us based on human connection and relationship. It's the nature of leadership that you are often going to make some people really happy and make other people really unhappy.

Q. Was there any difference or surprise, even in a subtle way, of the reality of the job once you stepped into it rather than the theory of the job before you took over?

A. People often say that it can be lonely at the top. But I have found that it has more to do with the fact that the CEO is the only objective leader in the organization. Other people are objective in the abstract, but their incentives, their compensation, and their focus is more on advocating for and building one part of the business.

The CEO's focus is on every part of the business, and therefore is the only objective person in the organization. There is a sense of accountability about making the right decisions, picking the right road, as that lone objective party. To me, that's where the heaviness of the responsibility comes.

Q. What were important early influences that shaped you as a leader?

A. I grew up in Tennessee, and my parents were both executives. My dad started on the factory floor of a shoe retailer called Genesco that is headquartered in Nashville. My mother was an executive at Tennessee Valley Authority, a utility company. I felt this curiosity about what they were doing. Then they would come home and talk

about their work. My dad became the CEO and chairman, and had a 50-year career there. My mother did things like run a consumer power unit. I just saw them excelling and I wanted a piece of that.

And I remember one time when I was 14. We had just moved into this new home. I got my own room for the first time. I remember sitting with them one evening and saying, “I may be the first generation of our family line that doesn’t do better than my parents.” My dad was like, “No. That’s not the way this works. You have been given so much. We’ve been blessed with so much. We’ve come so far. We’re going to put you through school. This is your job, to keep creating opportunity and keep doing a good job.” So there was this sort of healthy agitation to mean something in the world—not from the standpoint of my own success, but to make the world a better place.

Another key moment earlier in my career came when I disqualified myself for a critical role. We had a senior leader leave suddenly, and I was part of the leadership team that was going to appoint their successor. This person led a group of leaders in our organization, and I had never done that job before. I did write a set of guiding principles for how I thought the next person should lead, what they should focus on, and what their priorities should be. But then I said, “Because I haven’t done that role, I’m taking myself out of the running for this role.”

I went home and told my husband that and he blew his stack. He pointed out how far I’ve come, how much runway I probably still have, how much I had asked our family to sacrifice for the roles that I had and the things that we were doing. He just pointed out, “If you know what the priorities are and other people agree with those priorities, who cares if you haven’t done the thing before? That’s what leadership is about.”

So I went back to the leadership table and told them I had made a mistake by disqualifying myself, and I was putting my hat back in the ring. Days later, I was in that role. That was a good leadership lesson for me.

Q. What is the most common mentoring advice you typically share with people?

A. Just as I did in that story I just shared, I see other people disqualifying themselves. So I will say to them, I see something in you that you don’t even see in yourself, and I need you to find this in yourself. I need you to shift your mindset to recognize how much capability you have.

Another is that I often tell people that they need to lift their head up and look from side to side. We often get rewarded again to be focusing down and in, but we need to look up and out. In fact, getting prepared for larger and larger roles is all about looking up and out. So practice that, even though it’s counterintuitive.

Q. How do you hire?

A. I’m looking for a difference maker. I’m looking for someone who has got a spark about them, a divergent way of expressing themselves, and a slightly divergent view on how we can achieve our goals here. They’re making me think.

Then the first question that I ask them is, “Tell me your why.” When their why feels authentic and aligns with our ambition and our purpose and how we work as a team, then I know we’ve got a great new teammate. The best answers go back to their origin story, like what made them who they are. In our world, it’s very much about the backstory of their relationship with money and opportunity, and how that informs their lives and what they want to do for other people.

This interview with Kimberly Newkirk on balancing difficult decisions is part of our “[Art of Leading](#)” interview series featuring powerful insights from top executive and business leaders.