All by Ourselves

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A Leadership Dilemma

"Amazing! We did it all by ourselves!" Tao te Ching*, 17*

The original source for this idea is the ancient Chinese text, the *Tao te Ching*. As with all of these very old documents, nobody is sure when it was written. The oldest excavated text dates to about 350 BCE, and it documents an oral tradition going back much further.

Although we can't be sure that its purported author, one "Lao Tzu," even existed—the name just means "the old boy"—the fact that we have this saying in this ancient document suggests that 2,500 years ago, there were leaders who believed this was a reasonable ideal.

Now, let's do a thought experiment. Imagine that you have taken on a project—lead the team developing an app for example—and a tight deadline and budget. Because of other projects in the company, you won't be able to use many of your usual colleagues. After your first team meeting, though, you tell yourself that everyone seems enthusiastic and technically competent, although several are new hires and a couple are straight out of college. You consider two strategies for getting the app out the door on time and within reasonable distance of budget:

> **First strategy:** Inspired by Lao Tzu, you tell them the goal of the project and sit back to watch them do it all by themselves.

What do you think will happen? They might self-organize and accomplish the project on time and within budget. Chimpanzees, as the classical illustration of the 2nd law of thermodynamics goes, might type out the text of Shakespeare, too. What's vastly more likely is that they'll go through all the usual trauma of early team development, aggravated by the stress of time: bickering, clique formation, arguments over approach, resignations, resentment of those who do try to take leadership, invocations of Godwin's Law, and so on.

Not too appealing, so you visualize your second strategy:

> **Second strategy:** You take no chances. You prepare a detailed plan of what needs to be done, you monitor continuously, comparing performance to plan, and you jump in when anyone starts to lag behind.

What happens? There's an unstated assumption in the second strategy that you've identified all the major potential problems and that you've correctly assessed the capabilities of every team member—some of whom you've just met—to execute the tasks you assigned them. So long as you can solve unexpected problems in sequence, that is, eliminate each hold-up before the next one arises, you stand a good chance of success.

In the airplane business, where I spent a lot of time, there was a saying that it doesn't fly until it flies. In other words, the pieces test out fine and the computer simulations predict smooth flying, but when you bolt them all together, strange things happen. Or expected things don't happen. So you get a Boeing Dreamliner program that is announced in 2003, with deliveries promised for 2008 but actually delivers in 2011, a 60% schedule overrun. And this from a company that's built a whole lot of airplanes—10,000 are still flying today—on a program that by

aerospace standards wasn't particularly revolutionary (it's another subsonic flying tube, military aircraft had used composite structures for 25 years before the Dreamliner, and electronic controls date back to the F-16 program from the mid-1970s.)

The point of this is not to pick on Boeing—The Airbus A380 program will never turn a profit—but to illustrate that even in this day and age, with highly talented people, decades of experience, and virtually unlimited technology, the ageless themes of how people interact and how leaders influence these interactions largely determine success or failure.

So we have two scenarios. In the first, there's creativity and initiative but not a lot of control. Lots of activity, but you don't get the proverbial warm-and-fuzzy that the product will get delivered on time. Or at all.

In the second, you know full well that after a while, you'll be running around like the equally proverbial chicken-with-its-head-cut-off trying to stamp out fires. It's as if creativity and initiative trade off against control. More of one means less of the other.

The Middle Way

Is there a middle way, a leadership approach that both fires up creativity and initiative as does the first strategy but also achieves "control" in the sense that you accomplish the mission? Those of you in the LeanKanban community will recognize that your techniques are designed to solve or at least ameliorate these kinds of problems. So we might ask, is there an optimal leadership style for Lean?

The "Lean" in LeanKanban suggests the same deep sources that power the Toyota Production System and form the foundation for a school of conflict that the military call "maneuver." The theorists who came up with the idea of maneuver warfare suggested five organizational attributes and the notion that any leadership style that furthers these attributes will pump up creativity and initiative throughout the organization and focus them to accomplish

the purposes of the organization. In this paper, I'm going to suggest they will also lead your team members to conclude that they did it all by themselves.

The organizational climate is sometimes known by the catchy acronym EBFAS, from the five German words that make it up:

- ***Einheit***
- ***Behindigkeit***
- ***Fingerspitzengefühl***
- ***Auftragstaktik***
- ***Schwerpunkt***

We use German for the same reason we use Japanese when we talk about concepts derived from the Toyota Production System. *Kanban*, for example. Although German is related to English, any translation is imprecise, so we can explore various meanings without the connotations of any particular English word or phrase. As the practitioners of Zen would say, they are somewhat “empty.” German military experience supplied the nomenclature, but the person most responsible for collecting them into a description of a culture that enabled agility was the American strategist, the late US Air Force Colonel John R. Boyd (1927 - 1997). It’s easy to find all five elements in the Toyota Way, which is why I noted that both the TPS and maneuver warfare rest on the same deep foundation, and in fact, it’s easy to find them all from 2,500 years ago in Sun Tzu.

Fingerspitzengefühl

I'm going to introduce the terms in a different order, in an order that you might implement them into your own organization if, say, you found yourself trapped using strategy 2 but sensed that life would be better for all concerned if you could move to the first strategy. Let's start with *Fingerspitzengefühl*, literally translated as "finger tip feeling." I'll leave it to you, by the way, to research what the words originally meant in their military ecosystem. It's interesting but as relevant to our current discussion as noting that *kanban* means "card."

In the opening lines of the "Abstract" to his collected works on strategy and leadership, the *Discourse on Winning and Losing,* Boyd argued that *Fingerspitzengefühl* is key:

> *To flourish and grow in a many-sided, uncertain and ever-changing world that surrounds us suggests that we have to make intuitive within ourselves those many practices we need to meet the exigencies of that world.*

If you have *Fingerspitzengefühl* for some skill or ability, you have made it intuitive within yourself. In the only place where he uses the term, on slide 45 of another part of the *Discourse*, *Strategic Game*, he insisted that:

> *We can't just look at our own personal experiences or use the same mental recipes over and over again; we've got to look at other disciplines and activities and relate or connect them to what we know from our experiences and the strategic world we live in.*
>
> *If we can do this,*
>
> *We will be able to surface new repertoires and (hopefully) develop* Fingerspitzengefühl *for folding our adversaries back inside themselves, morally-mentally-physically—so that they can neither appreciate nor cope with what's happening—without suffering the same fate ourselves.*

"Making intuitive within ourselves" suggests something like "so good at what you do that you don't have to think about it any more." The implication is that if you don't have it, then you have

to go through some process to decide what to do. Sometimes this may be necessary, but experience of warriors and more recently research shows that when you have it, educated gut feel—*Fingerspitzengefühl*—produces better results. Where do you get this talent? Practice, what the ancient texts on yoga call *abhyasa*, which they define as "determined and conscientious practice over a period of time." (To balance some of the German military sources, I'm going to point out occasionally that the roots of many of these concepts go back thousands of years further.)

Allen Ward and his colleagues noted such an emphasis on extreme technical skill in their seminal paper on the Toyota vehicle development system,

> *Toyota engineers serve a minimum of fifteen years before reaching management positions, have extensive hands-on experience, undergo frequent training, and are vigorously encouraged to think about their jobs and technologies by managers who are themselves technical experts.*

However, the idea of "practice until it's automatic" doesn't seem to fit entirely with Boyd's observation that "we've got to look at other disciplines and activities and relate or connect them to what we know from our experiences and the strategic world we live in." In making this statement, though, Boyd was echoing strategy going back 350 years. In 1645, the Japanese samurai, Miyamoto Musashi suggested that practicing 10,000 days seemed about right. But then he also wrote in his *Book of Five Rings* that students of sword fighting should "Cultivate a wide range of interests in the arts" and "Be knowledgeable in a variety of occupations."

The reason for this is that the fundamental purpose of *Fingerspitzengefühl* goes beyond amazing physical dexterity. Leaders with *Fingerspitzengefühl* develop such a feel for the situation that they can predict the outcome of actions better than can their competitors or opponents. Thus Ichiro Suzuki, the Toyota engineer who developed the Lexus, believed that the way to dethrone Mercedes was to build a car that was even better from an engineering stand

point but also exuded warmth, beauty, and elegance. He couldn't prove it with hard analysis, but he could feel it.

If you get really good at *Fingerspitzengefühl*, you can command not only your troops, but also those of the enemy. At least that's what Musashi claimed. And, like Boyd, he is reported to have never lost, so he might have been on to something.

There are at least two reasons for starting with *Fingerspitzengefühl*:

- It's straightforward. You can start right away as individuals in the functions in your immediate areas of interest.
- It's good for morale and self-esteem.

Before someone can be recognized as a *chief engineer*, a program manager in Toyota, for example, they must first be recognized as an outstanding engineer. As Jeffrey Liker explained in *The Toyota Way*, "Suzuki was known as the Michael Jordan of chief engineers. This reputation came from repeated technical achievements that demonstrated remarkable technical skills and engineering intuition." (p. 180). It's a two-edged sword, though. Your technical skill, the military would call it "tactical," will give you moral authority, but if you use your skill directly to solve problems for team members, you'll kill initiative. The people can't say they're doing it all by themselves if you keep doing it for them, no matter how brilliantly.

One final point on *Fingerspitzengefühl*. It's not enough that your team members each have their superhero powers. You must have a fine appreciation of how each team member is doing: You must be able to predict whether they going to be able to complete their projects on time within the resources they have. This is where your own *Fingerspitzengefühl* comes in. Musashi has a vivid illustration in his carpenter analogy. A master carpenter knows how to use every piece of wood. Strong, straight pieces become support beams, pieces that are good but not as strong become internal supports (studs) and even very weak boards can be used as temporary

supports and scaffolding. We have all had colleagues who were best used for scaffolding, but you do have to have scaffolding.

Einheit

Individual *Fingerspitzengefühl* is fine, but projects generally require teams. Is there a group equivalent to *Fingerspitzengefühl*? It turns out that there is, and Boyd called it *Einheit*. At first, this may seem strange because the most common translations involve English terms like unity and integrity. Boyd usually called it "mutual trust." It also has the connotation of cohesion. In his presentations, he used a variety of complex phrases to get this idea across, such as "common outlook," "similar implicit orientation," and my all-time favorite, "overall mind-time-space scheme."

He makes grand claims for this concept on slide 74 of *Patterns of Conflict*:

> *Without a common outlook, superiors cannot give subordinates freedom of action and maintain coherency of ongoing action.*
>
> *Implication*
>
> *A common outlook possessed by "a body of officers" represents a unifying theme that can be used to simultaneously encourage subordinate initiative yet realize superior intent.*

In other words, the common outlook, similar implicit orientation, or overall mind-time-space scheme is the key to breaking the trade-off between creativity/initiative and control.

How do you get it? Boyd recommends *abhyasa*, but as a team, as he explained on slide 23 of *Organic Design*:

> *Arrange setting and circumstances so that leaders and subordinates alike are given opportunity to continuously interact with external world, and with each other, in order to more quickly make many-sided implicit cross-referencing*

> *projections, empathies, correlations, and rejections as well as create the similar images or impressions, hence a similar implicit orientation, needed to form an organic whole.*

The part about "organic whole" is where "*Fingerspitzengefühl*-for-groups" comes in. A Martian looking down on your team would see a single, unified organism, one with *Fingerspitzengefühl.*

Schwerpunkt

> *The Toyota Production System, quite simply, is about shortening the time it takes to convert customer orders into vehicle deliveries. Toyota Motor Co., April 1992*

So we have our team now. Everybody has *Fingerspitzengefühl* in their respective areas, we all share a similar implicit orientation, and mutual trust flows through the organization. How do we accomplish what we've set out to do? Once your team has worked together, as Boyd suggested above, the "similar implicit orientation" will usually be enough if it includes a good understanding of the overall objective. In some cases, though, at the start of a new project and particularly with a new team, you might need a little more shaping and focusing, and for such cases, maneuver warfare theorists recommend two devices. The first is *Schwerpunkt*, for which Google Translate showed seven English equivalents including center of gravity, main focus, main emphasis, main stress, and even "plank." Boyd used the phrases "focus of main effort" and "focus and direction." Stephen Bungay mentioned *Schwerpunkt* in his Keynote at LeanKanban Central Europe 2011, but not under that name. He said, "Tell me what you want, what you really, really want."

In the American military, it usually means the one unit (and it can only be one) under your command that has the mission that all the other units support. In other words, everything those other units do helps ensure that the *Schwerpunkt* accomplishes its mission. Boyd, though, used it a little more freely, as a concept rather than always referring to a specific unit:

> Schwerpunkt *acts as a center or axis or harmonizing agent that is used to help shape commitment and convey or carry out intent at all levels from theater to platoon, hence an image around which:*
>
> - *Maneuver of all arms and supporting elements are focused to exploit opportunities and maintain tempo of operations,*
>
> *and*
>
> - *Initiative of many subordinates is harmonized with superior intent. Patterns of Conflict, slide 78.*

In other words, here's a leadership technique that works in harmony with *Einheit*. You can use it to focus and harmonize the efforts of your team while also pumping up their creativity and initiative. Essentially, it means making sure that everybody on the team knows what we're trying to accomplish and why, what the military calls the "commander's intent." For example, if price drives sales in your business, then one *Schwerpunkt* is "Whenever you're not sure what to do, take the action that best helps lower the overall cost." Your common implicit orientation—*Einheit*—specifies what actions you can and cannot use to accomplish the *Schwerpunkt*. Suppose, for example, that your organization runs according to lean principles. Someone not familiar with your company practices might be tempted to skip a step or two, or source cheaper components, or subcontract to cheaper suppliers, but such actions could damage the company's reputation, cause problems in production, and increase costs in the end. So *Einheit*—the common implicit orientation—is a necessary prerequisite for successfully using the *Schwerpunkt* concept, and shared knowledge of the *Schwerpunkt* could easily be considered as an aspect of *Einheit*.

This point, that with enough *Einheit*, leaders rarely had to manually "shift the Schwerpunkt," was driven home to me by one of the founders of modern maneuver warfare, retired US Marine Colonel Mike Wyly, an anecdote I put into *Certain to Win*. Mike was talking about *Schwerpunkt* and I mentioned "shifting the *Schwerpunkt*." He said he virtually never had to do it. I was

astonished—I assumed that would have been one of this main leadership tools. He said that by the time he might have realized that the *Schwerpunkt* needed to shift, it was probably too late. And by the time he figured out that he needed to take leadership action, his unit was already doing it. Invariably.

Although you can argue that things are different in the business world, keep in mind that the *Schwerpunkt* is "What you want, what you really, really want." If this starts changing, then you may need to step back and rethink the project.

Auftragstaktik

> *Never tell people how to do things. Tell them what to do and they will surprise you with their ingenuity.* General George S. Patton, Jr.

In an ideal world, everybody would know what to do all of the time. When problems arose, they would use their *Fingerspitzengefühl*, guided by implicit *Schwerpunkts* embedded in *Einheit*, to come up with innovative solutions all by themselves. Sometimes, though, you might want to put individuals on to specific tasks. This is common, of course, at the start of a project. The device that maneuver theorists recommend in this case is *Auftragstaktik*. Search Amazon for "*Auftragstaktik*" and you'll find no shortage of books on the subject—mine just a minute ago returned 47 titles, including Bungay's. My advice on *Auftragstaktik* is simple, however, and it cuts through all the detail and essays on Scharnhorst, von Moltke (both of them) and all those other generals with spikes on their helmets. Here is my advice: Once the project is under way, don't rely on *Auftragstaktik*.

What I mean by this is that once your program is moving along, and people are using their creativity and initiative to carry out your intent, any new order, even a mission order—a common translation of *Auftragstaktik*—can be taken to imply that "What you're doing now isn't that important, or even that you're doing it wrong, so here's what you should be doing."

This was vividly illustrated to me in a YouTube video that a friend sent me a few months ago. In it, retired US Navy Captain David Marquet was saying, “One day, I stopped giving orders.” And then things started to work, and by the end of his tour of duty as captain, his ship, the USS Santa Fe, went from worst in the fleet to the best evaluation scores the submarine service had ever awarded. It took Capt. Marquet and his 134 man crew about six months of working together inside a tube 110 meters long to evolve the practices that made it possible for the ship to accomplish its mission without the captain giving orders. He described, for example, an incident when he thought the Officer of the Deck had waited too late to order a turn. So he made an abrupt remark. The OOD, however, was right, and Marquet noticed that “Dave had lost initiative, lost confidence, and lost control. He was no longer driving the submarine, I was. His job satisfaction had taken a big hit.” And the one time Marquet thought he saw an emergency and tried to jump in he almost killed a boatload of Navy SEALs.

Liker noted something similar in *The Toyota Way*, “Toyota leaders seldom give orders.” They achieve much the same effect through a different mechanism: “The leader will ask questions about the situation and the person’s strategy for action, but they will not give answers to the questions even though they have the knowledge.” You might feel that you are upholding your reputation and authority by quickly providing answers. But the Egyptian novelist (and Nobel prize winner) Naguib Mahfouz offered advice more likely to reinforce *Fingerspitzengefühl,* initiative, and *Einheit* when he observed that “You can tell whether a man is clever by his answers. You can tell whether a man is wise by his questions.”

Gently leading by asking questions embodies the spirit of *Auftragstaktik*, but without the leader actually giving the order. The people can’t say “We did it all by ourselves” if you’re still leading by giving orders. Even mission orders.

It is better that they do it tolerably well than you do it perfectly for them. …Your ideal position is when you are present and not noticed. Lawrence of Arabia

When does it make sense to use mission orders*?* When the recipient understands that there was no way they could figure out what to do on their own, even given *Fingerspitzengefühl, Schwerpunkt,* and *Einheit.* When, for example, something externally has changed but your overall mission has not. At that point, you may need to give a new task to someone, and classical *Auftragstaktik* is a good way to do it. However, I'll recommend Mike Wyly to you again —they may be way ahead of you so don't just start barking orders. Even mission orders. Perhaps ask a question or two, first?

One final caveat: Some people, because of lack of experience or technical knowledge or just their personality don't work well under the *Einheit-Schwerpunkt-Auftragstaktik* concept. Give them room to grow but don't let them wander over a cliff, taking your project with them. Such people may need more explicit instructions and you may have to watch them more closely. Knowing who can do what is part of your *Fingerspitzengefühl*. I would suggest, as a general rule, though, to err on the side of "all by themselves." Otherwise, when there is uncertainty or a problem, their first impulse will be to look over at you. Your personal *Schwerpunkt* must always be "They tell themselves that they did it all by themselves."

Behendigkeit

Behendigkeit translates as "agility," but I didn't put *Behendigkeit* into *Certain to Win* because I felt the climate was complex enough as it was, and in any case, agility would emerge as a property of the system as it developed. Boyd agreed, but before he died, he expanded the concept of agility. As he pointed out, the first four elements will produce a highly agile organization, but over time, a strange thing can happen: Ideas and actions fall into patterns. That is, you will be agile, but increasingly within a pattern. So you may be very agile at

developing analog phones, in the case of Motorola in the late 1990s, or feature phones in the case of Nokia a decade later. If the world changes too much or if your competitors figure you out, your pattern of actions and ideas may no longer be effective. You get behind the power curve and stall out, to use aeronautical terms, even though you may be generating lots of power and noise. To survive, you need to recognize when tinkering with your current paradigm isn't enough.

As you can see, the concept of "agility" itself represents a breaking out of patterns. Originally, the idea referred to military fighter aircraft, that is, to hardware. One aircraft was more agile than another if it could more rapidly go from level flight to turning, say, 20 degrees per second to the right. However, this is not enough because there were highly agile aircraft that for one reason or another lost to less agile opponents. The Red Baron's Fokker Dr.1, for example, was one of the most highly agile aircraft ever (not surprising since it had three wings!), but it was so slow that it was agile only within a constrained pattern and was largely abandoned even before the end of the war.

If you read over the description of "agility" at the first of the last paragraph, you'll see that it applies to drones as well as to manned fighters. Boyd ignited one of those flames of creative genius when he realized that agility wasn't so much in the hardware as in the mind of the person using it. Over the next 10 years, he expanded the concept from hardware to "being able to handle the highest rate of change" to "operating inside the OODA loop" and finally to the ability to maintain a more accurate orientation, even in a rapidly changing environment. This solved the Red Baron problem and also moved agility into any field of human competition.

Behendigkeit, in its last evolutionary stage, is the ability to see that the way you're going now, even if your team members use the maximum of their creativity and initiative, isn't going to get you where you need to be. David Marquet demonstrated *Behendigkeit* when he recognized

that he needed to stop giving orders. His submarine became much more agile, even though the hull, engines, control systems, etc., didn't change at all. Similarly, the United States Marine Corps shifted from an attrition-based philosophy to maneuver warfare with basically the same equipment and organization that it had before. Toyota changed deeply held mental models when they realized that they couldn't get their car business going again after WWII if they had to depend on external capital—banks—to finance their business. This led them to the *Schwerpunkt* of total elimination of waste.

You can think of *Behendigkeit* as the ability to jump out of a well-worn and still profitable rut while there's still time to do something about it. True, you have to understand your current system well enough to know and feel that it isn't going to work, but even a deep understanding of internal matters isn't enough. All maneuver theorists agree that *Behendigkeit* requires interacting with the external environment. You need the external perspective just to understand your problem because otherwise, the deeper your understanding of your current system, the more reasonable it will seem. You'll be captured by it. Harvard strategist Clayton Christensen called it "the innovator's dilemma" because it's especially hard to find fault in your own baby.

Often, breaking out of a pattern of actions and ideas will also shatter long accepted tradeoffs. I have a strong suspicion, but no proof, that a resolution of trade-offs may be a sign you have achieved true *Behendigkeit.* Toyota, for example, broke the tradeoff between cost and quality—they made better cars than Detroit and did it at lower costs. Maneuver warfare resolves the tradeoff that began this paper, between control and initiative. Ichiri Suzuki, the Toyota chief engineer who created the Lexus, and Steve Jobs both broke long standing assumptions between engineering excellence and aesthetics, so that products that were great technically also looked beautiful and exuded warmth.

To move to a new vision, somebody has to imagine it. This often requires putting up with strange people, people who operate outside of your existing patterns. Boyd quoted one of the most successful German commanders of World War II, General Hermann Balck, as concluding that a great commander displays a "willingness to support and promote unconventional or difficult subordinates who accept danger, demonstrate initiative, take risks, and come up with new ways toward mission accomplishment." Steve Jobs might have agreed: " Here's to the crazy ones. … Because the people who are crazy enough to think they can change the world, are the ones who do."

As obvious as this might be, it's all too rare in organizations. We see this all the time in the world of business, where, for example, many companies make a show of casting a wide net for new hires, but then they have extensive processes that filter out anyone who doesn't fit. If your organization proves capable of evolving an EBFAS culture, however, you can not only attract a few unconventional, difficult, yet indispensable team members but grow some of your own. *Einheit* with crazies.

There is, by the way, a deep connection between *Behendigkeit* and *Fingerspitzengefühl*, one that has been recognized for a long time. In the words of another samurai and in this case, a Zen master as well:

> *Removing afflictions of the mind—dwelling or attaching on something, even for a moment—is for the purpose of perceiving intentions. Japanese Zen Master Yagyu Munenori, early 1600s.*

You don't have *Behendigkeit* if your orientation stays attached—locked up on—some idea or concept, and as I noted above, the real purpose of *Fingerspitzengefühl* is to perceive intentions, to intuitively see what opponents in war or customers and competitors in business intend to do

or can be influenced to do. So *Behendigkeit* enables *Fingerspitzengefühl*. It's not only an output of the other four principles but also their foundation.

Leadership and Appreciation

> *As a commander in Vietnam I wanted to unleash my marines on the enemy, not control them. Colonel Mike Wyly, USMC, "Thinking Like Marines."*

The five elements outlined above describe a climate where lean concepts can thrive. It follows, then, that the prime function of leadership is installing and nurturing this climate, what Jim Collins called "Level V leadership." Once you have this climate, how do you use it? That is, how do you "control" your organization in the sense of ensuring that you actually accomplish what you set out to do? Boyd suggested reconsidering "command and control" as "leadership" and "appreciation." Leadership is what you do to influence your organization towards accomplishing its goals. The ultimate in leadership is that the people in your organization don't see you do anything, although, somehow, you always seem to be in the best place to influence events, even if only by cheering the team on. Your more experienced team members will understand that you exercise the bulk of your leadership responsibilities by creating a system where the people can tell themselves that they did it all by themselves.

The key to effective leadership is establishing *Einheit*. Maneuver warfare practitioners insist that your real command & control system can be thought of as having several layers, all of which are components of *Einheit*:

- A shared moral code, an understanding of what's right and what's not. To act as a pillar of *Einheit*, your moral code must rest on a base of mutual trust, which assumes honesty: If you say you're going to do it, do it. If you mess up, 'fess up, and make it right.*

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* I am indebted to Prof. Emeritus George Manners, my colleague from the Executive MBA Program at Kennesaw State University, for his Ethical Code for Business. This is the first element in the code.

- A doctrine that is generally understood and accepted. “Dharma,” as they say in Eastern thought. Maneuver warfare is a doctrine of armed combat, and the Toyota Production System is a doctrine for manufacturing. Some of this needs to be explicit, which is why the military writes doctrine manuals.
- Shared concept of what we’re trying to accomplish now.
- Shared—and accurate—mental model of the current, evolving situation. This includes both what’s going on outside the organization as well as an appreciation of how well we are working together to accomplish our mission (“How’s it going?”)
- Mutual appreciation of our capabilities and limitations.

The Marine Corps suggests that with enough *Einheit*, you can even read minds:

> *We believe that* implicit communication*—to communicate through* mutual understanding*, using a minimum of key, well-understood phrases or even* anticipating *each others’ thoughts—is a faster, more effective way to communicate than through the use of detailed, explicit instructions. We develop this ability through familiarity and trust, which are based on a shared philosophy and shared experience. Marine Corps Doctrine Publication 1,* Warfighting*, page 79.*

The better you get at it, that is, the more mutual trust, common experience and shared philosophy, the less explicit communication you need. The ultimate, the ideal, is that you need none at all—they believe that they do it all by themselves.

“Appreciation,” is what you do to get an accurate picture of how well your organization is performing. There is a bit of a trick here, because people in your organization will behave differently if they think you’re watching them. Thus “leadership” and “appreciation” can form a duality and even trade off: The more you try to “appreciate,” the more you affect the behavior you are trying observe, and the less what you're seeing represents how your organization is

actually performing. Effective leaders find ways to break this trade off, although I have to warn you that it isn't easy.

Sheila Julian of Conway Management described a famous device used by one of the creators of the Toyota Production System, Taiichi Ohno:

> *Ohno is credited for much of the thinking behind the Toyota Production System, and he invented a novel method of making improvements. He would go to where the work was being done, draw a chalk circle on the floor, and stand in it. He would stand for hours, watching and thinking about what he was seeing. He would look for what was getting in the way of people creating value and he would study the situation to determine what was causing it. This gave him the insight he needed to make lasting improvements.*

Sometimes, it is reported, Ohno would just stand there with his eyes closed, listening. Now there's an important point here. He already had an extraordinary degree of *Fingerspitzengefühl* —he knew what a well functioning production would sound like, so he could often "feel" the sources of problems. My guess is that after a while, he blended into the woodwork and so didn't affect his own observations. You might find this trick harder to pull off in an office environment.

David Marquet describes how he kept an appreciation for the status of his submarine, in addition to the usual walking around and sensing the pulse of the ship. Certain decisions— which ones were governed by *Einheit* in the form of Navy regulations or shipboard practice— had to be reported to the captain. "Captain, the hatch is secure, depth is adequate, and everyone is at their posts. I intend to dive the ship." The answer was virtually always, "Very well. Carry on." This reinforces the authority, and self-esteem, of the decision maker but still takes advantage of the *Fingerspitzengefühl* the captain had developed from years of sailing aboard similar submarines. As I mentioned, though, even aboard the confines of a nuclear submarine, it took him the better part of a year to evolve his culture to this level.

The Master does nothing,
Yet nothing is left undone. Tao Te Ching *38*

The Leadership + Appreciation formula works well with the five principles because much of the work of leadership is done on the culture, behind the scenes as it were, and not (micro)managing team members. Practically all the daily interaction with the team would fall under “Appreciation.”

The key point in all this is to develop a deep understanding of the principles—what they are intended to accomplish—realizing that your use of them may look nothing like Marquet’s, Toyota’s, or the Wehrmacht’s.

Which style of leadership?

Is there a particular leadership style that works with all this? You might be tempted to conclude that something like Collins’ self-effacing servant leadership is required. However, you can also use a highly forceful and explicit style, like Jeff Bezos at Amazon. If you glance at their “Fourteen Principles for Management,” you’ll find:

- ***Fingerspitzengefühl*** (“Leaders are right a lot. They have strong business judgment and good instincts.”)
- ***Einheit*** (“Earn trust: Leaders listen attentively, speak candidly, and treat others respectfully.” “These Principles work hard, just like we do. Amazonians use them, every day, whether they’re discussing ideas for new projects, deciding on the best solution for a customer’s problem, or interviewing candidates. It’s just one of the things that makes Amazon peculiar.”)
- ***Schwerpunkt*** (“Leaders start with the customer and work backwards. They work vigorously to earn and keep customer trust. Although leaders pay attention to competitors, they obsess over customers.”)
- ***Auftragstaktik*** (“Ownership: Leaders are owners. They think long term and don’t sacrifice long-term value for short-term results. They act on behalf of the entire company, beyond just their own team. They never say “that’s not my job”.)
- ***Behindigkeit*** (“Invent and Simplify: Leaders expect and require innovation and invention from their teams and always find ways to simplify. They are externally aware, look for new ideas from everywhere, and are not limited by “not invented here". As we do new things, we accept that we may be misunderstood for long periods of time.)

Despite the “Fourteen Principles,” Amazon isn’t run strictly according to Deming. For one thing, they stack employees, the *New York Times* reports, routinely eliminating those near the bottom. This ensures that despite all the fine words, people will be careful to manage the types of risk they take. And because everybody is competing against their teammates, such a scheme makes it difficult to achieve high levels of mutual trust. Hard to be a band of brothers when you know that achievements by one of your “brothers” might cause you to be fired.

So why are they so successful—Amazon recently passed Wal-Mart as the most valuable retail company in the world? Amazon works because they embody the five leadership principles I’ve outlined. It works despite the one-dimensional view of employees (stacking is by definition one-dimensional), but although it’s working, it does leave Amazon open to new competitors who also embody the five principles but who can achieve higher levels of mutual trust. As with General Motors up until the mid-1970s, it illustrates that you don’t have to be perfect, just better than whatever competition you have at the moment.

This might also be a good place to drag out one last bit of oriental wisdom. In the ancient tradition, *abhyasa*—conscientious and sustained practice—is critical, but it is only half of the formula. The ancient texts insisted that to produce optimal results, *Abhyasa* must always be complemented by *vairagya*, which has connotations like non-attachment or non-obsession. Yes, you practice hard and long, but you keep it in context, in balance, because a broad interest outside your primary profession will unstick your orientation, which is *Behendigkeit*. It also gives you different insights into human behavior, making you better able to predict it. Think back to the consummate swordsman, Miyamoto Musashi, who concluded practically every section of his book with “You must practice hard,” but who also insisted on becoming an artist and on learning about commerce. And you all know how Steve Jobs credited an ad hoc calligraphy course with changing the direction of computer history:

> *Because I had dropped out and didn't have to take the normal classes, I decided to take a calligraphy class to learn how to do this. I learned about serif and san serif typefaces, about varying the amount of space between different letter combinations, about what makes great typography great. It was beautiful, historical, artistically subtle in a way that science can't capture, and I found it fascinating.*
>
> *None of this had even a hope of any practical application in my life. But ten years later, when we were designing the first Macintosh computer, it all came back to me. And we designed it all into the Mac.*

The new CEO of Microsoft, Satya Nadella, also seems to buy into the importance of *vairagya*:

> *As devices come and go, you persist…. You can't fall in love with this one thing becoming the hub for all things and for all time to come.*

The author of the article then wryly noted "That philosophy is, in many ways, the opposite of the old Microsoft," where it seemed that customers existed to serve the needs of Windows, rather than the other way around.

So in conclusion, you can adopt any leadership style you want. You can even practice a new style with selfie videos on your iPhone (used to be in front of a mirror or by still photos). So long as you use it to evolve a culture that embodies the five attributes, it will work.

What does all this have to do with our original purpose, creating an organization where its members announce that "we did it all by ourselves"? People who are taking the initiative to employ their creativity know they're doing it all by themselves, and so they feel that they're in charge of their own destinies.

Let me leave you with a a couple of quotes from Toyota, from their own description of their system that Toyota gives out (or used to give out) to suppliers:

Ultimately, the Toyota Production System means a lot more than productivity and quality. For companies and for employees, the Toyota Production System means taking their destinies into their own hands. Page 2

Kanban: The paperwork is minimal. The efficiency is maximal. And the employees themselves are completely in charge. Page 29

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