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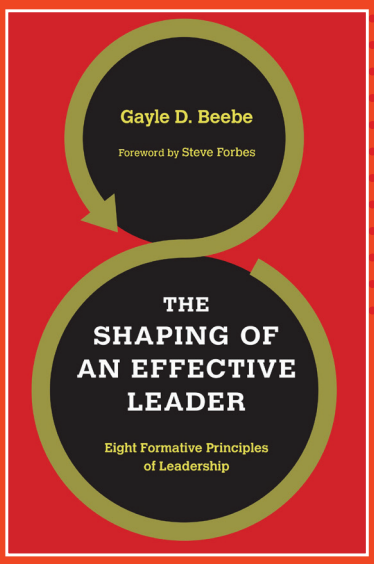

THE SUMMARY OF

THE SHAPING OF AN EFFECTIVE LEADER

By Gayle D. Beebe

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Introduction: Eight Principles of Effective Leadership

Leaders matter. The fortunes of every organization, whether great or small, rise and fall based on the effectiveness of its leadership. My philosophy of effective leadership developed over time, beginning with early opportunities to hold different leadership positions and expanding through study with Peter Drucker, guidance from mentors, and this constellation of outstanding academics, key mentors, and multiple leadership experiences.

In my twelfth year as a college president (first at Spring Arbor University, then at Westmont College), my primary responsibility is to lead and manage an organization that employs a vast array of highly talented people. I ask myself, "How can I lead effectively and achieve desirable results?"

This book aims to identify and articulate the eight principles of effective leadership. They form a pyramid, starting with character

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as the foundation of all leadership responsibilities and culminating in an ultimate contribution that will outlive us. If any stage fails, leadership effectiveness will retreat to this level:

My insight came while attending a workshop led by someone who ruined one organization and was in the process of destroying another. He extolled character but lacked the threshold competencies to avoid harm. That day, I outlined these progressive principles and realized how effective leaders develop and make an important difference.

Because effective leadership is both an art and a science, there is more than one right way to lead. Each chapter illustrates these principles with real-life examples, key mentors, the eight deadly vices, and the eight life-giving virtues. Ultimately, I hope this book helps you see how leaders develop and why their ongoing development is essential.

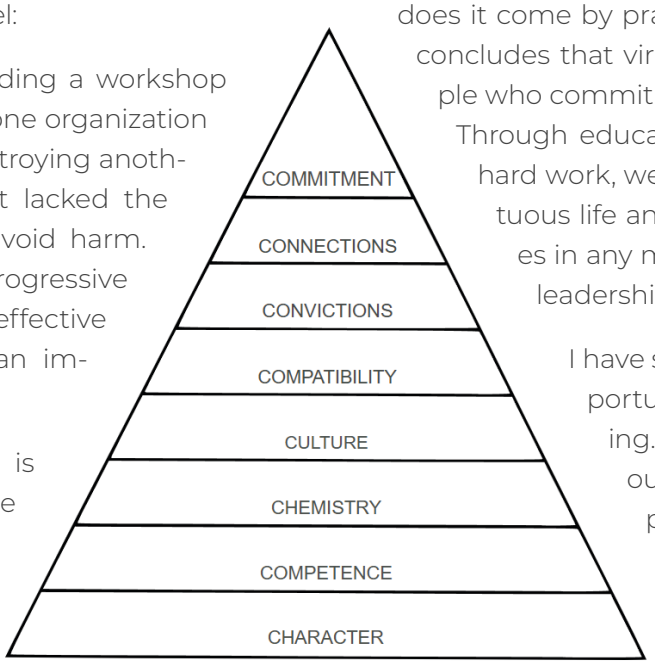

Figure 0.1 The Eight Principles of Effective Leadership

Principle 1: The Necessity of Character

"It all comes down to ethics," replied the former CEO of a multibillion-dollar investment company. We were golfing at The Quarry in La Quinta, California, and I had just asked him the secret of success in life and business. Our minds drifted to Bernie Ebbers at WorldCom, Ken Lay at Enron, and Bernie Madoff—one unethical leader after another whose corrupt practices led their companies into bankruptcy. Near the end of our round, he turned and asked, "What are you doing to teach ethics to the next generation of students?"

Twenty-five hundred years ago, Plato (427-347 B.C.) pondered the same question: "Can you tell me, Socrates, is virtue something that can be taught? Or does it come by practice?" In this dialogue, Plato concludes that virtue is developed only in people who commit their entire lives to realizing it. Through education, discipline, aptitude, and hard work, we discover the benefits of a virtuous life and the need for moral purposes in any meaningful pursuit—especially leadership.

I have seen many leaders ruin an opportunity because of a moral failing. Sometimes, it was an obvious vice—embezzling money or practicing corrupt politics—but often, the "lesser evils" eroded people's confidence in their work. Each of us has a vulnerable spot that can prevent us from realizing our full potential. Learning to identify and overcome these tendencies is crucial for enduring success.

Character is built on our understanding of ethics. In Western society, seven major streams of ethical theory still inform us, but Peter Drucker continually stressed there is no separate "business ethics": a person is either ethical or not. He believed "bedrock integrity" is necessary for leadership. Young, promising executives are often derailed by character flaws, which have little to do with their competence and everything to do with their lack of character. Drucker wrote, "They may forgive a man a great deal… but they will not forgive his lack of integrity." Such a failing should immediately disqualify a person from leadership.

Drucker believed an organization's moral tone starts at the top. Integrity cannot be acquired later; it must be present from the beginning. When leaders fall

short, trust collapses. Though some deceitful strategies work for a time, a lack of character is exposed when a crisis hits.

Why worry about character? Character creates predictability in leadership—predictability, dependability, and consistency. These qualities ensure that people place their confidence in us. We lead in the public eye and cannot escape scrutiny, so the foundation of trust must be unshakable.

One of the most significant challenges for a leader is developing the capacity for moral self-reflection. Leaders make mistakes; the key is recognizing them and learning to self-correct. When we see we are "out of sync" with our convictions, we must elevate those convictions and recover our integrity. People want to know they can rely on us—both in how we succeed and recover from failure. Building our leadership on character will establish the moral authority that inspires others to follow.

Principle 2: The Importance of Competence

"Our goal for your education," began Drucker, "is to turn you from specialists into generalists." He believed education should equip leaders to recognize "grand patterns" that unify discrete details of business. This was my introduction to his philosophy of management—and of education for effective leadership.

One of the great challenges for leaders is learning how to see and connect patterns. Drucker emphasized a liberal arts education as the best training: "Management is what tradition used to call a liberal art because it deals with all knowledge and is concerned with practice and application." He believed managers must draw on multiple disciplines, focusing this knowledge on effectiveness and results.

Drucker insisted that leaders are made, not born. He defined top management as the few individuals who see the business as a whole. They ensure that every key activity and relationship is covered, workers are productive, and social responsibilities are met to benefit society. Leadership's fundamental task is to make people capable of joint performance through common goals, shared values, the proper structure, and the training they need.

Drucker contrasted effectiveness (doing the right things) with efficiency (doing things right). He insisted that effective leaders must ask three critical questions: "What is our business—and what should it be? What are we doing that does not contribute to this? What needs to be done to eliminate any activity that distracts from our core task?" He also stressed forming clear measurements of performance, allocating resources strategically, and using problem-solving as a means to pursue bigger opportunities.

In *The Effective Executive*, Drucker identified eight practices of effective leaders. They:

1. ask what needs to be done
2. ask what is right for the enterprise
3. develop action plans
4. make effective decisions
5. communicate the right amount of information
6. focus on opportunities more than problems
7. run productive meetings
8. and build effective teams

These practices, he said, "lead to reflective thought" and ensure accountability.

Every leader must organize, motivate, and innovate. Drucker repeatedly emphasized "creative destruction"—ending some activities to fund new, more promising ones. Leaders must also accept personal responsibility for decisions, specifying who will implement them and when.

The character challenge at this competence level is envy: resenting others' gifts or abilities. Its corresponding virtue is happiness or blessedness—the capacity to celebrate others' contributions while trusting our own. This spirit of mutual contribution, free from envy, is what fosters true organizational excellence.

Principle 3: The Advantage of Team Chemistry

For over twenty-six years I've been part of various management teams, first as a mid-level manager, then as a college and university president. Early on, it felt like a track team—everyone did their own work, the scores were totaled, and the result was the organization's output. Later, in higher education, I realized a truly effective team outperforms a group of strong but independent individuals. The whole is greater than the sum of its parts.

A leader must build an executive team that reflects the priorities and demands facing the organization. My first executive team at Spring Arbor focused on immediate challenges: We needed a top financial manager and a renewed academic thrust. Political turmoil had arisen from senior executives exceeding their scope, undermining confidence and clarity. By year three, our team was in place, which then led to a five-year run of significant progress.

I faced similar challenges at Westmont but in a vastly different culture. Every institution has unique attributes—mission, student profile, community relations—that shape how we build our teams. Nevertheless, the same principles applied: an effective leader must be free to select a team confident in the mission and able to function without constant supervision. To maintain a healthy culture, my team has four guidelines: bad news first, full disclosure, no surprises, and loyalty to the team's decisions. Disagreement must happen privately, so we all uphold decisions publicly. Nothing sabotages trust, like leaders hinting they never agreed with a choice in the first place.

Peter Drucker's perspective on top management teams is concise but vital. "Top management work is work for a team rather than for one man!" Each top-management task must be clearly assigned, reflecting each member's gifts and temperaments. Team members must systematically communicate and truly know one another's functions.

One of my favorite leadership influences is Dr. Steve Sample, former president of USC. He champions a "Work for those who work for you" model: once you've chosen strong direct reports, your success is tied to theirs.

Building a great executive team involves ensuring that each member operates in his or her strongest area for the greater good. Toyota's "StrengthsFinder" approach showed how understanding and leveraging individual gifts fostered a high-performing culture. Similarly, Daniel Goleman's work on emotional intelligence illustrates how personal competence (self-awareness, self-regulation, motivation) merges with social competence (empathy, social skills) to create a collaborative environment.

In practice, I have each vice president review annual goals, reflect on leadership philosophy, and discuss team functioning. We also maintain an "executive team covenant" focusing on full disclosure, zero surprises, and no feigned agreement. Although we don't always live up to it, this covenant sets the standard for our behavior.

Principle 4: The Interplay of Culture and Context

Cultures shape people. What we value, we produce. We are all, to some degree, products of our environment—manifesting traits that directly reflect the context in which we were raised. My interest in corporate cultures began during my graduate studies in

cultural anthropology, where I learned how cultures mold individuals, families, and the organizations they inhabit.

Ludwig Wittgenstein once compared a community's culture to "a big organization that assigns every person a place to work in the spirit of the whole," while Clifford Geertz later described culture as "the context within which social events, behaviors, institutions, and processes can be understood." These "webs of meaning" direct us, reinforcing certain behaviors while eliminating others. The same applies to companies, as Jim Collins and Jerry Porras show in Built to Last: great companies differ from mediocre ones primarily by their corporate culture.

I've worked at five different organizations over the past twenty-six years. Each had its own core ideology, a process of friendly indoctrination, and a strong focus on a tight fit between individual and organization. In each case, when someone didn't fit well, that person eventually left. What I found especially intriguing was that each place expressed a sense of fulfilling a unique purpose that no one else was doing—an energizing sense of "positive purpose."

Organizational culture is shaped by symbols, rituals, language, and stories. Scholars from fields like organizational psychology, social psychology, and communication theory have tackled this subject, revealing threads of meaning that help us grasp how a company's culture emerges and how it can be guided.

Peter Drucker frequently emphasized the importance of constructing the right culture to make workers productive and the work profitable. His approach of "management by objectives" (MBO) moves organizational goals beyond office politics and personality clashes. He also drew insight from Douglas McGregor's Theory X and Theory Y, urging leaders to understand what drives or discourages their people. Drucker's experiences with international companies, particularly in Japan, showed how principles like "continuous training," "lifetime employment," and mentorship can foster a strong sense of communal responsibility and personal growth.

Drucker championed a culture that produces results. The "test is performance, not conformance." He believed that while good relationships matter, the focus must remain on tangible outcomes. Structure and clarity—such as defining purpose, setting strategic direction, and establishing decision-making guidelines—are keys to building a stable, adaptable culture. Indeed, culture evolves from the founder's vision, the success of key employees, and the ongoing influence of the CEO, top management team, board of directors, and influential voices within the company.

Organizations that endure and flourish begin by recognizing their people as the primary resource. Developing a culture that supports personal growth is essential. Leaders need self-awareness and empathy to understand their own strengths and those of others, communicating clear expectations so people can do their best work. Communicating the "why" behind goals and rewarding contributions fairly fosters trust and stability.

Principle 5: The Strength of Compatibility and Coherence

"Eventually, you need to decide where you want to make your contribution. It isn't so much what you do or how you do it, but that you work to make a difference in the lives of people." This insight from Peter Drucker was the essence of our conversation during the fall of 1990 when I sought guidance on what to do with the rest of my life.

Central to Drucker's philosophy is understanding who we are, how we are wired, and what unique contribution we can make. Our task is to "know thyself," as the Greeks urged, and to use this self-knowledge to maximize our strengths. We must also identify the context in which we can make our greatest impact.

For Drucker, the conversation always comes back to focusing on strengths rather than devoting disproportionate energy to overcoming weaknesses.

Drucker advocated the "feedback loop" to identify our strengths: write down the result you expect, review what happens, and notice patterns of how you operate best. He also posed five questions:

1. What are your strengths?
2. What can you do to increase your performance and expand your productivity?
3. Where does your own arrogance blind you?
4. What bad habits do you need to overcome?
5. What are you doing to focus on your strengths?

Beyond discovering strengths, we must determine how we perform best—how we prefer to learn, receive information, and communicate. Then comes clarifying our values, which reveal where we truly belong. Values misalignment leads to frustration; alignment yields compatibility and coherence. When considering a new role, I have six checkpoints: (1) Does it fit my values? (2) Is it right for the right reason? (3) Is it timely? (4) Am I drawn to it more than I'm pulled to stay put? (5) Do trusted friends confirm it? (6) Do I have a real passion for it?

The Gallup Organization highlights this with tools like StrengthsFinder. Their research shows we thrive when our talents and our workplace values match. In First, Break All the Rules, Gallup identified twelve core questions revealing whether people feel appreciated and motivated at work, including knowing what's expected of them and whether their opinions count. Building on this, we discover that the best situations combine personal development with shared organizational values.

I first learned the lesson of compatibility from mentors who stressed the importance of placing yourself in a community that nurtures your values and leverages your gifts. Whether in personal relationships or organizational cultures, alignment is key to lasting fulfillment and success.

Principle 6: Leading with Convictions

In the early 1980s, Peter Drucker turned his attention to the "third sector": nongovernmental, not-for-profit organizations whose influence was rapidly expanding. He admired leaders like Francis Hesselbein of the Girl Scouts and Bill Pollard of ServiceMaster, both of whom demonstrated how strongly held convictions could energize an entire organization. By the time I studied with Drucker in 1990, he had published his book on managing nonprofits—a reminder that organizations must be driven by purpose and guided by core principles.

Drucker identified six key convictions:

1. Build the management of change into the organization.

Abandon what no longer supports core purposes and simultaneously innovate around core competencies. He believed we never exist in a steady state, and only those embracing innovation can adapt to perpetual change.

2. Accept responsibility for total impact, not just economic performance.

Economic viability is necessary, but no organization can ignore its effects on employees, customers, communities, or the environment. The BP oil spill of 2010 starkly illustrated how a firm's decisions reverberate far beyond its balance sheet.

3. Maintain a crystal-clear mission.

Because modern society relies on specialists, people need a unifying purpose to avoid confusion or mission drift. Upholding and extending that mission is everyone's responsibility—board members, employees, and leadership alike.

4. Honor the rise of the knowledge worker.

With a tech-driven service economy, skilled professionals are more mobile than ever. Successful organizations must offer continuous development and opportunities to put knowledge to work, rather than relying on mere location or paychecks to retain talent.

5. Organize as a series of teams.

While management still needs to set direction and maintain accountability, the domineering "boss" era has faded. Today's flatter structures place responsibility on each team member to collaborate toward shared objectives.

6. Show care and respect for knowledge workers.

Because production now happens globally and knowledge workers can operate from anywhere, organizations that value and invest in their people will attract and keep the best talent.

I first saw these convictions amplified by Robert Kegan's insight that we must reform how we interact. Kegan outlines four "internal languages," which move us from complaining and blaming to personal responsibility and open recognition of our assumptions, and three "social languages," which shift us toward specific praise, public agreements, and a complete evaluation process. Such convictions encourage a culture where people accept accountability for improving both themselves and the organization.

I witnessed the embodiment of these principles in leaders like Dr. David L. McKenna, whose concept of the "self-differentiated leader" requires balancing strong convictions with a genuine connection to others. Leaders must never delay confronting toxic behaviors or sabotage what can undermine an institution's mission.

Principle 7: Maintaining Our Connections

"I understand, but there's nothing about this that feels very loving." This was the response I received after telling a key associate he wasn't a good fit for his position. We concluded our meeting by asking if he felt treated with "love, integrity, care, and respect." His answer has stayed with me ever since, reminding me that there is no easy way to move someone out of a role or the organization while keeping the relationship completely intact. Others on the team invariably react with either fear—"When will it happen to me?"—or relief—"It's about time."

Peter Drucker always stressed that people's decisions have the most significant influence on our organization's trajectory. Yet, we also must stay emotionally connected to our associates while upholding convictions that ensure the company's long-term success. According to Drucker, a human-centered approach to leadership begins with four requirements:

1. Identify and communicate each employee's expected contribution.

Knowledge workers need clarity about what is required of them.

2. Motivate and organize individual contributions toward the whole.

Just as a hospital administrator coordinates patient care or an orchestra conductor unites musicians, leaders must orchestrate diverse talents into shared goals.

3. Plan for self-improvement.

Even late in life, Drucker himself never stopped learning, setting an example for perpetual intellectual growth.

4. Develop others.

People will remain loyal when they can continually expand their capacities and see their strengths put to good use.

Building on these, Drucker emphasized five commitments that spark continued motivation: (1) a clear mission, (2) careful job placement aligning strengths with tasks, (3) opportunities for learning, (4) high demands prompting our best effort, and (5) predictable accountability to achieve results. Yet, not everyone should be managed the same. As Maslow recognized, different individuals need different approaches.

> **People will remain loyal when they can continually expand their capacities and see their strengths put to good use.**

This principle resonates with the philosophy of "connective leadership," which balances excellence in individual contribution with excellence in executive guidance. My friend Robert Emmons, retired chairman and CEO of Smart & Final, embodied this well. He called for "we" leaders who raise their associates' vision and bring them together under a unifying culture. Through programs like Smart University and simple gestures such as renaming "employees" as "associates," Emmons built an atmosphere of integrity, care, and respect. By offering training and structured career growth, he reduced fear while boosting loyalty. Under his leadership, people felt valued, resulting in remarkable organizational success.

Principle 8: Making an Ultimate Contribution

"Eventually, you have to give back." These words from Peter Drucker still linger in my mind. His sense of making an ultimate contribution guided him, and he hoped it would guide me. Woody Allen once joked that he wanted to gain immortality not by his work but by not dying. Since we all face death, it is left to us to determine how we will live and how we will give our lives and our leadership to purposes that will outlive us. In this way, we gain a sense of the immortality we crave by the contributions we make to the lives of others and to the institutions and organizations that will continue long after we are gone.

In *Good to Great*, Jim Collins writes that great leaders sublimate their ego to serve the greater good of their organization. This orientation is the hallmark of their success. Collins notes that such leaders invest their life energies in purposes that will outlive them—they make an ultimate contribution. In Management Challenges for the 21st Century, Drucker identifies making an ultimate contribution as a quest for meaning. He also observes that the challenge often arrives before we're ready, sometimes triggered by midlife boredom. Work, however meaningful, can lose its appeal. Over time, some leaders look more toward people than problems, seeking opportunities that truly matter.

Drucker advocated developing a second interest long before we exhaust our first. This "parallel career" not only sustains meaningful work and service in the future but also offers support if setbacks occur. All of us make this move when a trusted mentor shows us the way. I first learned this principle from my father, Richard Beebe, who often spoke to me about his own quest for meaning.

My father died suddenly at sixty. He had been a public school superintendent, devoted to providing quality education and being emotionally present with people. He believed we should "live each moment so that the people we are with feel the full impact of our presence." His bias for action was guided by the

question of what each individual could do for the greater good. He also worked to create a positive atmosphere, handling private matters privately so the organization could focus on its mission. Throughout his adult life, he balanced work with "second" interests—an active role in our local college and church—where he found meaning and purpose beyond his profession.

From him, I learned to be open to the wisdom of others, to remain teachable, and to live with integrity, care, and respect so that my contributions might outlive me. We never outgrow our need for mentors who can speak into our lives. One of the joys of leadership is forming friendships with trusted advisers who help us maintain perspective on our highest ideals.

Finis: When Our Time Is Up

Eventually, the clock runs out. Whether our time ends suddenly, as it did for my father, or erodes over time, as it did for Peter Drucker, every one of us comes to an end. What, then, will be our contribution? Aristotle observed that we cannot say whether a person has lived well until we assess the entire breadth of his or her life. Reflecting on what we want our ultimate contribution to be helps guide the life investments we're making now.

Robert Greenleaf once remarked, "The leadership crisis in America is without precedent." That was more than twenty-five years ago, and things have only worsened. Many who once aspired to lead have given up, exhausted, and have little to show. Others have undermined their impact by constantly moving on and avoiding consequences. Instead of having twenty-five years of experience, they have twenty-five one-year experiences. Still, others commit career-limiting mistakes in the pursuit of instant results, succumbing to moral compromises that turn deadly for their industry.

Meanwhile, we've grown used to dysfunctional leadership. The endless stream of scandals and wrongdoing has hardened us to the catastrophes that exact such a toll on our society. This pervasive dysfunction distorts our vision of how necessary and important effective leadership truly is.

And yet, there remains a great cadre of leaders who reveal the significance of leadership. In each case, they have found that the pursuit of excellence and the capacity to lead allow them to make contributions that will outlive them. The eight essential principles of effective leadership identified in this book—the necessity of character, the importance of competence, the advantage of team chemistry, the interplay of culture and context, the strength of compatibility and coherence, the guidance of convictions, the significance of maintaining our connections, and the opportunity to make an ultimate contribution—build on each other, and their effect is cumulative.

Do you have a longing to be a leader? If so, the world desperately needs individuals willing to pay the price, undergo development, and endure the inconvenience of offering effective leadership. Begin where you are and get underway. Strive to make progress every day, accept responsibility, and pursue excellence. Ultimately, this longing and striving will give you the opportunity to make a genuine difference in life.