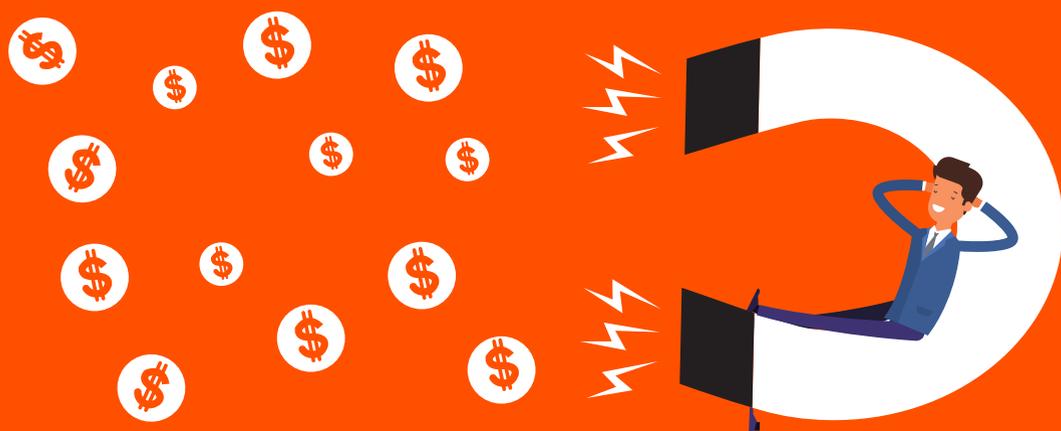


ROBERTA CHINSKY MATUSON

Bestselling author of *Suddenly in Charge*

THE MAGNETIC LEADER

HOW IRRESISTIBLE LEADERS
ATTRACT EMPLOYEES,
CUSTOMERS, AND PROFITS



"With Roberta's guidance, you can learn to be irresistibly, magnetically attractive to the people you lead – and achieve more than you ever thought you could."

Marshall Goldsmith, New York Times-bestselling author, ranked top leadership thinker in the world by Thinkers50

Introduction

Employees don't work for companies. They work for people. Yet companies keep piling on perks, hoping to buy their way into the hearts and minds of employees, and onto the infamous "best places to work" lists that resemble beauty contests more than they do reality. This strategy seems to have worked for many high-tech companies, which have managed to take employee incentives to a whole new level, but at what cost and for how long?

There's always a bigger boat or a better perk that can be had. However, there appears to be a vast shortage of great leaders. In a recent TinyPulse New Year Employee Report, one thousand working Americans shared their workplace wishes for the New Year.¹ Participants were asked what one thing they wished they could change about their manager. *The second most popular answer was to have their manager quit.* This response aligns with what I see in my consulting practice. Many enthusiastic employees are working for managers who are unclear about how to connect with their people in a way that is memorable for the right reasons.

I've spent the past nineteen years helping organizations achieve dramatic growth and market leadership by maximizing their talent. My clients span all industries and include companies like General Motors, Boston Beer Company, and Microsoft, as well as lesser-known organizations (at least for now) that are looking to dramatically improve the customer experience and boost their revenues. They all have one thing in common. They wish to achieve the desired state of magnetism—where the pull is so strong that top workers and customers can't help but find them irresistible. Companies like Apple, Google, and SAS are already there. However, contrary to popular belief, these companies didn't become magnetic overnight, nor did they get there without magnetic leaders. You're already on the right path. You are investing your time in reading this book. Should you desire a more multidimensional experience,

contact me at Roberta@matusonconsulting.com to discuss the many ways we can work together.

Becoming a thought leader in the area of talent magnetism wasn't something I set out to do. It happened by circumstance. At the ripe old age of twenty-four, I was catapulted into the deep end of the pool (also known as the executive suite), and took a job I was completely unprepared for—director of human resources. After treading water for six years, I eventually learned to swim. I can tell you, based on my own experience of having been put suddenly in charge and being tossed into management with little more than a prayer, that the majority of leaders don't enter leadership roles thinking of ways to repel talent and make their employees miserable—after all, miserable employees will, in turn, make customers unhappy. That was certainly never my intention. However, I'm sure I left a number of unhappy people in my wake. This weighed heavily on me for years, and when my first book, *Suddenly in Charge*, was published, I wrote a post for BNET titled, "An Apology from a First-Time Boss." I must have struck a chord, as a ton of readers posted comments saying they wished their boss would apologize. And then it happened. After reading the post, one of my former employees reached out to me and said, "You really weren't *that* bad." Need I say more?

Over the years, I've thought about how I could make amends for my actions. Then one day it hit me. I could make a significant difference in the world of work by making the workplace more human. For this to happen, a dramatic shift would have to take place. Leaders would have to take valiant measures and break the tablet of rules handed down to them from the ivory towers of their organizations and instead use common sense. Their commitment to being the type of leader others want to work for would transform workplaces around the globe. They would need someone in the background, cheering them on to victory. That person would be me.

Throughout my career, I've helped hundreds of managers and executives transform themselves into magnetic leaders. I don't know who is more grateful, the leaders I've worked with or their people! The transformation for many has been life changing. So much so that I've been given the name *The Talent Maximizer*®. I'm thrilled to share my thoughts

with you in this book about what it takes to make this transformation, so that you will have the opportunity to become a magnetic leader, and I can continue my promise of making the world of work a better place, one leader at a time.

I'm often asked, "Can magnetic leadership be taught?" Absolutely! Throughout this book, I will be by your side, guiding you as you make the journey from manager to magnetic leader. I'll be sharing some of the intimate details of mistakes I've made along the way, in the hope that your journey will be much smoother than mine. Included are stories from those who have made this transition, as well as some who are still on the journey. Should you happen to hit a few bumps in the road (and you will), know that you can learn just as much about magnetic leadership from your mistakes as you can from your successes—that is, if you are open to reflecting when things don't go according to plan and thinking about what you can do better the next time around.

No conversation about leadership would be complete without a discussion of corporate culture, a topic we'll explore in more detail throughout this book. I like to use the definition of *culture* promoted by my mentor, Dr. Alan Weiss, who talks about culture as a set of beliefs that govern behavior. The beliefs ingrained in the organization are based on the values and actions of the leaders who are in charge. Corporate culture flows through the veins of the organization and impacts everyone and everything, especially the customer experience, which in turn impacts profits.

In many companies, culture is created by default. Leaders are added to the mix with little thought about how they will impact culture. This is a huge mistake, and one that can and should be avoided. The most successful companies understand the impact leaders have on company culture. They are also aware of the direct connection that company culture plays in attracting employees, customers, and profits. That explains why they are willing to make the investment required to create workplaces that attract and keep the best.

It's important to note that organizations have subcultures, which is why it's not uncommon to hear one person say that a particular organization has a great company culture while someone else is telling a friend how

awful it is to work for the very same company. Subcultures vary, depending on who is in charge of a particular department or working group. With this in mind, the first rule of thumb is to be careful whom you let in the door, especially when it comes to hiring managers. One bad leader can have a dramatic negative impact on the entire culture. Remember this as we discuss what it takes to create and sustain magnetic leaders, who are the common thread in organizations where employees love to work and customers love to do business. Let's get started.

Note

1. TinyPulse, "New Year Employee Report," 2015, <https://www.tinypulse.com/landing-page/2015-new-year-employee-report>.

Chapter 1

The Magnetic Leader

I've asked dozens of people to tell me what comes to mind when they hear the words "magnetic leader," and no two responses have been exactly the same. Some people say, "I'll know one when I see one," which isn't all that helpful, considering we can't get into the minds of those responding! Here's my definition: a magnetic leader is someone whose leadership style is irresistible. You can't help but be attracted to this person and want to be on her team.

As I'm writing this, I happen to be flying over the Grand Canyon. As I look out of the plane window, I'm reminded of the huge chasms one finds in the leadership of organizations. There are leaders who are deep thinkers and who encourage others to look out over the horizon and enjoy the journey, while others simply blaze their own trail and expect that employees will fall in line. The first kind of leaders have given careful consideration to what it means to be responsible for the success or failure of those they lead. They charge ahead every day with the intent of helping their people chart their own course to personal and business success. They seek to work with like-minded people, and, as a management team, they demonstrate high levels of leadership in everything they do.

To help us fully comprehend what it takes to achieve magnetic leadership status, let's deconstruct the makeup of these different types of leaders. As we do this, you will gain a better sense of what it takes to achieve similar levels of success and can adjust your behaviors accordingly.

Traits of the Magnetic Leader

Lots of leaders think they are magnetic, when in fact they are anything but. Here are seven traits that are common among magnetic leaders, as well as examples of people who personify (or personified) these qualities. I'm sure you can think of a dozen more traits that would fit into

this category. In Chapter 5, we'll go into more detail regarding the way these characteristics impact "stickiness." I'll also suggest ways to acquire or fine-tune your magnetism. I encourage you to explore all of these methods and to focus on the two or three attributes that are the most meaningful to you.

1. **Authenticity.** Magnetic leaders don't try to be someone else, nor do they change who they are based on office politics. They are true to themselves and are honest in their dealings with others. They are not afraid to share their mistakes or shortcomings. Warren Buffet is an authentic leader who speaks openly about his \$200 billion mistake buying Berkshire Hathaway.
2. **Selflessness.** Nelson Mandela immediately comes to mind when I think about inspirational leaders who are selfless. Leadership is a service business, and service comes with sacrifice. Mandela made many sacrifices so that others could advance, including giving up power. When elected president of South Africa, he refused to serve more than one term because he believed that a swift transfer of his authority was in the best interest of post-apartheid South Africa.
3. **Strong communication.** Magnetic leaders communicate frequently and clearly. They speak their minds, even if it makes them unpopular. When they are forthright with their opinions, such people often become even more magnetic. Pope Francis is a great example of an outspoken leader with strong communication skills, and his popularity has risen tenfold, as have donations to the church. People around the world are embracing Pope Francis. He doesn't toe the party line. He says what's on his mind, which is refreshing.
4. **Charisma.** They have a charm that inspires devotion. No matter where people fall on the political spectrum, most would agree that former President Bill Clinton possesses great charisma.
5. **Transparency.** Leaders who are transparent are *consistently* honest and open in their communication—so much so that people never have to guess what these leaders really mean when they say something. This level of openness often spreads to the wider company culture. Tony Hsieh, CEO of Zappos, is the first person who comes to mind when I think of transparent leaders. From the very beginning, before blogs became all the rage, Hsieh would openly share the

happenings (both the good and the bad) at Zappos for both employees and customers to see. In fact, the company's all-staff meetings were broadcast on the Internet.

6. **Vision.** Vision and magnetism go hand in hand. Visionary leaders, like the late Steve Jobs, are the dreamers who make us realize that anything is possible. They have a vivid imagination that inspires others to get on board and come along for the ride.
7. **Resilience.** Magnetic leaders understand that there will be times when things won't go according to plan. You simply must keep charging ahead, often course-correcting as you go. No one knows this better than GM chair and CEO Mary Barra, who had an incredibly stressful first year in office. She faced revelations about faulty ignition switches, a 30-million-car recall, and pressure from investors to return more cash to shareholders. But two years into her tenure, GM's financial health has rarely been stronger.

As you can see from this list, magnetism isn't something you are either born with or not. It's a state of leadership that evolves over time. The key word here is *evolves*, as most of the magnetic leaders I've interviewed for this book were like many of you when they first started out. They wanted to be good leaders and were willing to put in the work needed to reach that goal. They observed other leaders. Some, they emulated; others, they promised they would not be like. They learned by doing and made course corrections along the way. Many were fortunate enough to have a mentor who gave them honest feedback. Others hired coaches at different times in their careers. All of these leaders invested in their own development, and they continue to work on improving themselves every day. They do so because they understand the power of magnetism and how it can be a game changer when it comes to attracting employees, customers, and profits.

A common theme among the magnetic leaders I interviewed for this book is their willingness to be open about their failures. For example, Rob Nixon, CEO of PANALITIX, a membership community for accountants, told me that his inspiration to change his leadership style and the culture of the organization came from his worst "people" year, which took place in 2010. "I had twenty-six people movements in a team

of sixteen,” Nixon said. “Not good.” This jolt led him to consider the type of organization he wanted to create. He wrote down the type of culture he wanted for his business, basing the culture on the values and standards important to him. He then posted the blueprint for his company culture on his website so that employees and customers could see what his firm stands for. Nixon is glad his worst “people” years are behind him, although, like any good leader, he’ll admit that he is a work in progress.

The Power of Magnetic Leadership

If you are going to put in the work to become a magnetic leader, then you probably want to know up front what kind of ROI you can expect. After reading this section, you will no doubt agree that the return on magnetism (ROM) is significant and well worth the investment.

Better Hires, Faster

Retired Biogen CIO Raymond Pawlicki was able to quickly differentiate himself from other CIOs through magnetism. Over the years, Pawlicki worked really hard to build a following. He made it a point to spend a good deal of his time out of the office. He made a name for himself and the company he worked for. He did so by volunteering to speak at conferences, visiting college campuses, and meeting with anyone who asked him for a few minutes of his time. Whenever Pawlicki had a job opening in his department (and it was rare), he had a line of people waiting outside his door hoping he’d hire them. He shared with me that he had rarely paid a recruitment fee to an employment agency during his long career—something most of his peers could not say.

A year after Pawlicki’s retirement, I met several of his former employees, who were still lamenting the fact that they were no longer working for him. I told them to get over it. Pawlicki wasn’t coming back. Instead of complaining, they could honor him by giving their employees a work experience similar to the one Pawlicki had given them. One guy took out his phone and made notes so he could remember to purchase the leadership books I recommended. He understood that the torch had been passed and that it was his turn to become a magnetic leader.

Magnetic leaders like Pawlicki have no problem attracting talent. I'm betting you know at least a handful of people like him. The cost of hiring people is minimal for these leaders. All it takes is one tweet or a call to a few employees they may have worked with in the past, and resumes start flying into their inboxes. If you think about it, most third-party recruiters charge between 25 and 30 percent of an employee's first year's salary plus bonuses. Recruitment fees add up quite rapidly. Think about how much additional money will hit your bottom line annually when you are able to avoid going this costly route—not to mention the decrease in stress you will feel, knowing that you aren't going to be involved in a bidding war for talent.

Off-the-Chart Employee Commitment and Staff Productivity

I was fortunate to have the opportunity to work for a magnetic leader. This leader had my full commitment, and the commitment of everyone else in the organization, in spite of the fact that we were paid significantly less than market rate. You may be thinking, “Why on earth would you give someone your all, knowing that you could make a heck of a lot more money elsewhere?” But knowing what I know today, I'd do the same thing all over again.

This leader made it clear that we were on a mission to change our industry. He listened to our ideas and treated us with respect. We worked long hours and never minded doing so. I had friends who were making tons of money working for big-name companies, but they were miserable. I looked at them every day and knew that my life was much richer than theirs, even if they had more money in the bank than I did. We were completely committed to this leader and the organization.

Reduction in Costly Employee Turnover

According to the *State of the American Manager* report by Gallup, approximately half of all workers have left a job to “get away from a manager.”¹ My bet is that none of these people were leaving a magnetic leader. Those who have run away from a bad boss will stick like glue to

any great leader they find after experiencing what it's like to work for a boss who actually repels talent.

Increased Innovation

When you are working for someone who thinks bigger than most, you often find yourself thinking bigger as well. This person encourages you to take risks. He makes it okay to fail.

Inspiration is a key part of innovation as well. Imagine for a moment what it must be like to work for Elon Musk, cofounder of PayPal and founder of the electric car company Tesla and the space technology company SpaceX. He and his team keep coming up with ideas that are out of this world!

High Levels of Customer Satisfaction

Magnetic leaders put customers first and encourage their people to do the same. I'm a frequent patron of Barcelona Restaurant and Wine Bar, which currently has twelve locations. It's a very busy restaurant and, as at most eating establishments, things occasionally go wrong. When my experience at the restaurant doesn't go smoothly, I never think to myself, "I can't wait to go on Yelp and tell the world about my negative experience." That's because I know that the manager or one of the wait staff will do the right thing. They'll take the disappointing item off the bill without being asked to do so, or they'll bring a replacement dish or an additional unexpected treat. They don't really have to go the extra mile, as there are plenty of customers waiting for tables. Or perhaps this is *exactly* the reason that people are willing to wait ninety minutes for an opportunity to dine at the restaurant.

More Repeat Business and Referrals

I like to do business with companies that have employees who seem happy to work with me. Happy employees are rarely found in places where dreadful leaders rule the roost. Whenever I've encountered a miserable manager or employee, I've quickly taken my business elsewhere. When I do find a place with great management, I tend to go back, even

if less expensive options are available to me. And, of course, I let all my friends know they should do business there as well.

Market Leadership

It's not easy to be in business these days. There are competitors all around waiting to knock you off your perch. Market leadership status is something that must be earned. Apple is a prime example of a company that has earned its place as a market leader in the tech industry. If you've ever visited an Apple Store, you know why. Managers are on the floor, right next to sales staff, and are ready to step in and serve you. Compare this practice with that of retailers that post managers upstairs in a booth, watching from above as customers circle like sharks waiting to attack their prey—also known as the all-too-scarce clerks on the retail floor.

Magnetic leadership and market leadership are like the chicken and the egg: it's hard to know which comes first, as organizations become market leaders based on their magnetic leadership, and magnetic leaders find themselves being pulled toward companies that are market leaders. In either case, magnetism is necessary.

Corporate Growth

Magnetic leadership isn't just a feel-good thing. Leadership helps shape culture, and culture in turn shapes leadership. Both drive performance, including revenues and profitability. A recent study by Egon Zehender International and McKinsey & Company titled *Return on Leadership—Competencies that Generate Growth*² confirms that talent matters, especially when it comes to leadership. According to the study, executives of high-growth companies have a higher level of competency than those of low-performing firms. The study also revealed that having good leaders is not enough; only excellence makes the difference. Outstanding leadership teams are highly correlated with revenue growth, while solid but unexceptional leadership is not correlated with growth at all. It's also interesting to note that the myth that a small group of high-potential executives—or just a star CEO—can drive business success is just that, a myth. According to the study, a critical *mass* of excellent leaders is needed to trigger and sustain corporate growth.

Creating a Force of Magnetic Leaders

It's easy to become overwhelmed when thinking about hiring a force of magnetic leaders, since you may currently have only one or two on your team. Here's what it takes to hire excellent leaders:

Clarity. "I'll know it when I see it" doesn't really fly. You have to have agreement up front among the executive team about the traits you are seeking in your leaders, so you can hire accordingly.

Speed. Speed, not money, is the biggest differentiator when it comes to hiring talented leaders. Companies and their hiring managers are taking *way* too long to fill jobs. As a result, their first choice is often no longer available if and when they finally get around to extending an offer.

Patience. You may think it's a bit odd that I'm writing about patience after telling you that it's necessary to move with lightning speed to fill jobs. Here's why you need patience as you assemble a force of magnetic leaders.

It's easy to get discouraged when trying to hire talented leaders, particularly in a hot job market where good candidates appear to be as rare as a sixty-degree day in the middle of a New England winter. However, if you are not patient and you end up hiring the wrong person for your management team, you will lose more than just that person when you wind up firing him. You'll have disgruntled employees who will not be serving your clients or customers in a way that makes you proud. You will also find yourself right back where you started, trying to fill a leadership role in a hot job market. Do yourself and everyone else a favor. Be patient and wait for the right candidate.

Assessing Your Current Leaders

I'm often brought into organizations to boost the effectiveness of their leadership teams. Rarely do I find myself in a position where I think every leader is a keeper. That's not to say these people weren't good leaders when they first came to the firm. Some were particularly strong in start-up mode, but the company is now in maintenance mode; others were suitable leaders when the firm was in cost-cutting mode, but aren't

so effective in growth mode. Whatever the reason, you most likely have people on your team who are no longer magnetic. Here are some questions you should be asking yourself on a regular basis:

- Would I hire this person today?
- Will this person help us get to the next level?
- If someone better came along and I didn't have to go through HR or legal, would I make a trade?
- Has this person gone as far as he is going, and would I be doing him a favor if I released him back into the universe?

Magnetic Leadership

It's good to know where things stand, so you can focus on the areas that matter most. Here's a tool that I've developed to help my clients assess the status of their leaders. How does your organization fare when it comes to magnetic leadership?

| | |
|---|---|
| <p><i>ORGANIZATIONAL MAGNETIC LEADERSHIP SELF-ASSESSMENT</i></p> <p><i>Please rate your company in each of the following areas:</i></p> | <p><i>Ratings</i> <i>4 = All the time</i> <i>3 = Most of the time</i> <i>2 = Sometimes</i> <i>1 = Rarely</i> <i>0 = Never</i> <i>N/A = Not applicable</i></p> |
| We know who our top leaders are. | |
| We support the growth of our top leaders. | |
| We treat our leaders as “assets” in which we need to invest rather than as “costs” that can be easily reduced. | |
| We know the <i>real</i> reason employees are leaving our company, and we use this information to make improvements wherever possible. | |
| We take immediate action when a leader has more turnover than most. | |
| Our leaders receive <i>continuous</i> feedback on their performance. | |
| Employees feel great about their leader. | |
| The people we promote are magnetic leaders. | |

(Continued)

| | |
|---|---|
| <p><i>ORGANIZATIONAL MAGNETIC LEADERSHIP SELF-ASSESSMENT</i></p> <p><i>Please rate your company in each of the following areas:</i></p> | <p><i>Ratings</i> <i>4 = All the time</i> <i>3 = Most of the time</i> <i>2 = Sometimes</i> <i>1 = Rarely</i> <i>0 = Never</i> <i>N/A = Not applicable</i></p> |
| We regularly ask our employees what we can do to improve our workplace. | |
| Our executives view employee magnetism as a top priority. | |
| The people we'd like to retain rarely leave our company. | |
| We quickly transition leaders who don't make the grade out of the organization. | |
| Our customers/clients rave about our employees. | |
| We are viewed as an exceptional place to work. | |
| We don't have to go after top talent because they usually approach us. | |
| Employees understand how their work contributes to the bottom line of the company. | |
| Employees would rate their managers as being great to work for. | |
| Our managers are trained to select, identify, guide, coach, reward, and retain their people. | |
| We provide coaches to our top leaders. | |
| Employees have the tools and skills to perform their jobs satisfactorily. | |
| My organization knows how much it costs to replace every employee who leaves the organization. | |
| I believe this is a great place to work. | |

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Any area with a score of 2 or less requires immediate attention!

What You Need to Know When Promoting Leaders

I've seen people promoted into management for a variety of reasons, many of which do not make sense. For example, company management sometimes assumes that a top salesperson will automatically be a top leader of the sales department. Rarely is this the case, and the organization may wind up losing a great salesperson as well as many of the people who

work for that new leader. Of course there are also the promotions given because no one really wanted the job or because someone was promised a promotion when she was hired, only the person really isn't management material. But, hey, a promise is a promise! Here are five things to consider before you promote someone into a leadership position:

1. **Desire.** I'm putting desire first, because if someone doesn't really want a leadership role, the rest of the list doesn't matter. Magnetic leadership requires authenticity. You simply cannot fake enjoying being in a leadership role. You have to really want the job.
2. **Aptitude.** The capacity and readiness to lead others must not be overlooked when promoting people into leadership roles, yet too often it is. Younger people get passed over for leadership roles because of preconceived notions that age is correlated with maturity and management readiness, while older workers are promoted without thoughtful consideration as to whether they have the aptitude for the job. Think about this before you promote your next employee.
3. **Traits.** The traits (competencies) necessary to be successful in a leadership role vary, depending upon the level of the position and the industry. Take a look at your most successful leaders. What traits do they have in common? Does the person you are considering for promotion have similar traits? If not, will this person be the right fit for a management role in your company?
4. **Attitude.** Management is not for the weary. It's not easy coming to work every day with a smile on your face and a can-do attitude when you may be overworked or business is trending downward. Yet this is exactly what a good leader must do. Does the person you are about to promote have a positive attitude about life in general? If not, select someone else for the job.
5. **Stamina.** Not everyone has the stamina to be a leader. You have to be prepared to step in and do the job of others, should they move on to greener pastures. You must be able to multitask and switch gears at a moment's notice. Low-energy people need not apply.

Now that you have a better understanding of what it means to be a magnetic leader and the ROM you can expect when you achieve magnetic

status, we'll move on and discuss how magnetic leadership impacts employees, customers, and profits.

Gravitational Pull Exercise #1

Complete the Organizational Magnetic Leadership Self-Assessment. Take note of the areas in which you scored a 2 or below and develop a plan to address these issues immediately.

Notes

1. Gallup, "State of the American Manager: Analytics and Advice for Leaders," April 2015, <http://www.gallup.com/services/182138/state-american-manager.aspx>.
2. Egon Zehender International and McKinsey & Company, "Return on Leadership—Competencies that Generate Growth," February, 10, 2011, https://www.mckinsey.de/sites/mck_files/files/Return%20on%20Leadership.pdf.