

10 LEADERSHIP LESSONS NOBODY WILL TEACH YOU

HANNES HUNSCHOFSKY

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1st edition

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DEDICATION

To my loving wife for always supporting me.

There is always a strong woman behind every successful man.

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INTRODUCTION

In the past four decades of my life, I have participated in dozens of leadership trainings and workshops, in addition to a formal leadership education on a master's level. I also had the opportunity to practice leadership for more than 35 years in international companies in nine countries in Asia and Europe and in three states in the US, leading teams between 2 and 2.500 members. During this time, I have worked with hundreds of leaders in various capacities, having seen and experienced the good, the bad and the ugly ones.

All of that has taught me valuable lessons. For one, good leadership cannot be learned out of books or articles alone: Leadership has to be practiced. Every specific situation may require adaptions to one's leadership behavior and the reflection on those specific situations can improve one's leadership skills going forward. Secondly, there is no final leadership optimum. After 35 years, I am still learning, still improving, still being confronted with situations I have never experienced before, still not a perfect leader. As everything in life, leadership is subject to constant change. Society evolves and the way of work, company and team structures alter, therefore, leadership needs to adjust too. Thirdly, there are aspects of leadership that have never been part of any training, workshop, or class I participated in and yet I believe these are valuable lessons for new and experienced leaders alike. I have summarized them in the following as the 10 Leadership Lessons Nobody Will Teach You.

Hannes Hunschofsky



"The true price of leadership is the willingness to place the needs of others above your own. Great leaders truly care about those they are privileged to lead and understand that the true cost of the leadership privilege comes at the expense of self-interest."

1. LIFESTYLE

Make sure you understand and are willing to live this life.

I have had the unbelievable pleasure to work with many young people over the years, in classrooms, seminars or as mentor or coach. One of the questions I was asked very frequently has been something like this: "Hannes, what is the one thing I have to do in order to become a global leader like you?" My response to that was always as following: "The one thing that is most important you can test immediately. When you come home tonight, sit down with your spouse or significant other and say the following: 'Honey, I made the decision to become a global leader. This means, for about 200 nights a year I will not be at home. I may miss important events in our life, I might miss our children's first words, miss their first steps, miss their first days in school. I will miss birthdays, holidays, anniversaries and other celebrations. I will not be there to support you when a child or you need to see a doctor, have the flu and have to stay in bed, when a water pipe bursts, when someone hits your car at the mall's parking lot and many other situations where you need and would deserve my support.' And if your significant other then responds: 'Honey, if this is what you really want to do, I will fully stand behind you whatever comes our way', then you have a good chance to become a global leader."

The lifestyle you choose as a global leader puts a lot of strain on your spouse and your partnership. So, unless you have a partner that is extremely supportive and independent by nature or you choose to live a single life, it will be very difficult to keep up with this lifestyle over a long period of time. And while this lifestyle may appear glamorous, particularly when you're still young, jetting around the world, seeing places and experiencing new cultures, let me make something very clear: you will mostly only see the insides of meeting rooms, hotel rooms, cabs, planes, airport lounges or restaurants. For more there is usually not enough time. And as the company is not standing still just because you are traveling, evenings and mornings in the hotel room will be filled with making calls and answering emails.

Even in times of increased online communication, and when one might think, business travel is a thing from the past, an ancient habit of another generation, the time requirement for a leader's duty did not change. While virtual meetings and remote work kept the economy going in times of crisis, leaders often have to spend the "extra" hours they gained as a result of reduced travel for additional communication that was lost in the online dialogue.

For the time at home with your family you need to be prepared to spend quality time with your loved ones. You bring yourself in and compensate for the time gone. Hobbies that would make you spend time away from your family, like the golf outings with your buddies on the weekend or your quiet boat trips for fishing, are things from the past. So, the true price of leadership is the willingness to place the needs of others, all others, above your own. Great leaders truly care about those they are privileged to lead and understand that the true cost of the leadership privilege comes at the expense of self-interest.

"Recently, I took my time to study most people who lobby for a leadership position. My findings show that they often don't do well. First, because they don't know the implications of leadership. Secondly, they're often not qualified for it. But because of the glamour that comes with the position, they strive for it at all costs. It's good to desire to lead, but you have to know that it's a call to serve, not to be served. Also, leaders are expected to make decisions on behalf of those they're leading and also bear responsibility for the outcome of the decisions they've made. So, from these, you'll understand that leadership is not child's play, but instead, a serious business. Don't be clouded by its glamour, look beyond it."

Dr. Tola Yusuf.



"The real experience of a hurricane impact clearly showed some shortcomings of our theoretical emergency and recovery plan."

2. EXPECT THE UNEXPECTED

The better you are prepared, the better and faster you will be able to get in charge of the situation.

It was Monday, 24 October 2005 in the early morning, when hurricane Wilma started its devastating path through Broward County, Florida. In the later afternoon when Wilma was gone out on the Atlantic Ocean and everything seemed quiet again, I inspected our home and concluded that we were among the lucky ones. Losing some of our palm trees as well as the pool screen, finding twisted steel in the swimming pool and some damages to the roof had to be considered little damage overall.

Hurricane Wilma's landfall in Florida resulted in 61 (35 direct and 26 indirect) fatalities and causing $20.6B USD in damage.

I made my way to the production plant I headed at that time – which was quite a long drive, having to reroute frequently due to debris of trees, traffic lights and damaged cars on the road. When I arrived at the plant, I found a substantial portion of the roof on the parking lot, fallen trees that hit the building and significant water damage inside on the shop floor. But the biggest issue in order to get the plant up and running again was the power outage.

High winds left approximately 3,241,000 customers of Florida Power & Light without electricity, including roughly 98% of urban southeast Florida.

The most critical impact for the company, however, was neither the damages to the building nor the water damage on the shop floor. It was the down time of operations due to a lack of electricity, the inability to produce because the power grid was down. And nobody was able to tell us if and when the grid would be restored again.

What helped us significantly was a more than 100-pages long emergency and recovery plan that we have put together in the years before hurricane Wilma hit. It may not have been perfect, as it was done more as a theoretical exercise than being based on real experience, but we had anticipated in it a power grid failure and forecasted the need of mobile power generators and the required fuel. We signed option agreements with an out-of-state power generator rental company and a local fuel supplier for the diesel. These option agreements were cheap considering the fact that we would be served guaranteed and at an agreed upon pricing in case of an emergency situation. The emergency and recovery plan had also many important contact information for various service organizations, that strictly work on a first come first served principle and we could immediately hire them after the storm went through.

Long story short: we received a 2 MW mobile power generator in the night from Thursday to Friday the same week. The diesel fuel was delivered on Friday and on the same day the high-voltage electrician needed to disconnect the plant from the power grid and onto the mobile power generator started and finished his work. So, on Saturday morning we were able to produce again, and most of the workforce was in the plant catching up with delivery needs. Because we worked the weekend before (in anticipation of the hurricane on Monday) and again produced the weekend after, we practically only lost one day of production.

The real experience of a hurricane impact clearly showed some shortcomings of our theoretical emergency and recovery plan. For example, for the reconstruction of the building, our emergency plan provided us with the contact information to hire contractors to fix the damages. What we had not considered was how to pay for the material needed for the repair work. Due to the electricity outage, the stores would and could not take any card payments, but only cash, which we did not have at hand in the amounts needed. From that day on, we always had a considerable amount of cash in the company safe to provide for situations like this. Through several rounds of feedback, we used experiences like this to integrate our learnings in our emergency and recovery plan and therefore improve the handbook for (hopefully not needed) future incidents.



"Learn from the mistakes and try to make more informed and better decisions next time."

3. DEFCON

Decisions that need to be made, have to be made by you.

It was the fall of 2008 during our budgeting period for the year 2009, that all our customers painted a glowing picture for the next year. They promised growing revenues and urged us to invest in machine tools, buy materials and hire additional operators. This optimism found its way to the supervisory board and our shareholders, setting high expectations for the 2009 sales and profit planning, although we received a warning from one economic consultant that, based on their forecast, 2009 will be resulting in a major drop of the US production indicator. But this was just one data point against the large number of expectations from customers, executives, and shareholders alike.

It wasn't long before disillusionment set in. In January of 2009, the supposedly full orderbooks started to deteriorate. Cancellations from all customers on already existing orders came in by the hour. After all, it turned out that the anticipated sales growth of 25% for 2009 ended up in a disastrous 45% sales drop compared to the previous year. And already in February, a significant reduction of workforce had to be executed. A decision that had to be made swiftly and without compromises.

We found ourselves in this desperate situation and, in order to keep the company alive, we decided to make a fast and deep cut. Instead of letting go only a few employees in the beginning, and then some more when the situation got worse, and then some more when it was necessary again, we decided to only make one round of dismissals, but a considerable one. And even though this was one of the hardest decisions of my life, it was necessary in order to create stability for the company and the remaining workforce. This drastic cut gave us the flexibility to operate without greater financial losses but also gave security to our employees in this time of crisis. After this decision was executed, operations could start over again and operate at a level corresponding with the economic situation. As a leader, this decision was not an easy or nice one to make, but it had to be made and it had to be made by me. Nobody else could have taken it for me.

But the decision that needed to be made as well, was to establish a new model to forecast sales. After all, the economist was right, and all our customers were wrong. So, we built a sales forecasting model that included company specific macro-economic indicators, which was serving us very well in the years to come with low single digit sales actual deviations from forecast.

These are the kind of decisions you need to make, nobody else will make and you can't delegate. Being in a leadership position, you have to accept the fact that sometimes your decisions will negatively influence the lives of other people, of colleagues, of employees. And that sometimes your mistakes – in our case wrong forecasting – will result in losses for other individuals. And even though we try to prevent situations like this, we sometimes have to admit to our failure, mitigate the consequences for the company, learn from the mistakes and try to make more informed and better decisions next time.



"It may not always be visible immediately and some leaders will never see the fruits of their decisions, but your leadership has the potential to influence people on a greater scale than you might think."

4. LONG AND FAR

There is no instant gratification, much of what you do will be for future generations.

Unless you have to act in transactional mode, which should be rare in your executive position, in leadership there is no instant gratification for your actions. If you need to see the immediate result of your doing, being a leader is the wrong choice.

Leadership is a long-term endeavor. Think of decisions about mergers, acquisitions, strategic research, new product developments or even large capital expenditures. These may all be decisions that show their full positive impact years, sometimes decades after you have taken them. By that time, you will be in another position, work for another company or even enjoy retirement. This comes with the territory and is important to understand as leadership is a fiduciary responsibility. However, it is contained as far as the one decision you made, good, bad or indifferent. It may be a part of the company legacy you are leaving behind.

But a much bigger legacy you leave behind is your leadership legacy. Over the course of my career, I have mentored, coached, and developed dozens of young talented people, many of which are in leadership positions today in various organizations, carrying on my leadership philosophy. The influence my example of leadership has will radiate and show results over generations, good, bad, or indifferent, way after I will finish my active career.

Through leadership, you have the power to influence those you lead. And sometimes, those in turn influence others based on the examples of their previous leaders. As people develop their careers and move on to other organizations, new responsibilities, countries and cultures, the example you set as a leader carries on, possibly over generations and through multipliers effect hundreds, thousands or more lives, individuals, and families. Be aware of your responsibility and the long-term effect your actions as leader have. It may not always be visible immediately and some leaders will never see the fruits of their decisions, but your leadership has the potential to influence people on a greater scale than you might think.



"Leadership is a 24/7/365 job."

5. IN THE GLASSHOUSE

Be aware that you are observed and judged all the time, also in your private matters.

Leadership is a 24/7/365 job. Of course, you can sleep, can take vacations, can binge-watch your favorite series or even better take your kids to baseball games or dancing competitions. You can even shut your office door and take a nap, after all you are the boss. But the responsibility of leading isn't limited to office time, staff meetings, or when you're the talking head on a video conference. Because they're watching. They are watching all the time. Every day. All of them. Your team members. Your department. Your company. Your vendors. Your customers. Your Board Members. They observe how you interact with your parnter and children. How you talk about your partner and children. They're watching everything you say. Everything you do. And they're constantly wondering:

Can I trust this guy? Do his actions match his words? Does he have my interests in mind and that of the company, or is it all about him? Is he going above and beyond and out of his way to do good in every aspect, personally and professionally? Can I benefit from this relationship? Is there potential for me to get greater value in the future?

In my younger years, I was choosing my jobs to a good portion by choosing my future boss. And I had a simple but effective rule judging whether that person is a good boss for my career and my personal development: I asked myself if he/she is an idol for me professionally or as a human being? And in many cases, it was both. That was the best case. But my own way to choose my boss also taught me in later years that my employees and partners also will judge me on those two levels. How I treat people and if they can learn from me, personally and professionally.

As a leader, you are expected to live up to very high standards and expectations. Because you are the leader, people will see you as a role model. Every word or action is critically observed and every slip will impact your credibility.

So, remember, the spotlight is on. It is on you. It's always on and it's bright. Really bright.



"Don't let personal bonds get into the way of the right decisions for the company or impact your behavior."

6. GO BUY YOURSELF A DOG

Nobody will love you for what you are doing, and you should not try to be loved. If you need to be loved, go buy yourself a dog.

This is a phenomenon that I have observed primarily with young leaders, first-time leaders, particularly when they are appointed to lead a team they were a part of before. The desire to make everybody happy, to be the good guy, the desire to be loved by everybody is extremely pronounced. But being a leader and making decisions is not about making everybody happy. It is about making the best possible choices for the company, regardless of personal sensitivities or friendships. Sometimes, the best decision for the company's interests is the one that is against the desires of co-workers or employees. As leader you have to accept the fact that you cannot please everybody, and you should not try to as many of the decisions you need to take will be disliked by others and you personally will be disliked by others for that. When leading a team you previously were a part of, be certain that your relationship – at least the professional one – with your team members – maybe you even consider them friends – will change. Don't let personal bonds get into the way of the right decisions for the company or impact your behavior.

> "If you want to make everyone happy, don't be a leader - sell ice cream."
>
> Steve Jobs

A professional politician that is near to me once stated: "Many of the decisions we make are defining who are the winners and who are the losers." And yet, I have often observed the desire to be loved in many leaders. No matter what the cost. It starts with involving the team in decision making, building personal relationships (beyond the literal once in a while afterwork drink) and goes all the way to making bad or wrong decisions only to provide favors to the team or single team members.

I have seen this get to a point where the team lead is not executing leadership decisions, but rather shows behavior that aligns with members of the work council, possibly even destructive leadership behavior towards the company. Defending the team, covering up for the team, taking the blame for the team. I might have shown similar tendencies in my first leadership role. But I have had a good CEO who took me aside and his words – 35 years later – are still engraved in my brain. "Accept the fact that nobody will love you for what you are doing. Do not try to be loved. If you need to be loved, go buy yourself a dog.

Peaches just turned 12 years. She is my third dog. And yes, she loves me.



"See your leadership team as a consulting body: critical, outspoken, and innovative."

7. "A PLAYERS" HIRE "A PLAYERS"

And B players hire C players. In the long run you will have the workforce you deserve.

Throughout my career, I have seen the following over and over again: CEOs or others in leadership positions are hiring their next level employees so that they will be none-threatening to their position, or at least they believe so. There is this fear that smart, motivated and driven employees could threaten their own status. The fear is in their heads and not real. Particularly young and inexperienced leaders focus more on the protection of their own status than on building a competent high-performance team. They surround themselves with yea-sayers, have hardly any diversity in their management team and see therefore any and all issues from only one perspective and that is their own. This is not only bad for best decision making, if you thrive towards that, it also means that you will not surround yourself with the best possible experts, outspoken, innovative, forceful, and driven.

Steve Jobs once said: "It doesn't make sense to hire smart people and tell them what to do. We hire smart people so they can tell us what to do." This is even more so true when you fill leadership positions surrounding you. See your leadership team as a consulting body: critical, outspoken, and innovative. Hire people who think outside the box. People whose background is different, with different education, different upbringing, different experiences and let them bring these differences in the boardroom and flow into your decision-making processes. Steve Jobs also said, "A players attract A players".

Truth is, we have our strengths, but we are far from perfect in every discipline and omniscient. The ability to use your strength regularly impacts you both physically and mentally. The anticipation of doing it energizes you. It brings you joy while you're doing it. You look back with pride for having done it. But we all have our weaknesses as well. Things we are not so good at and things we do not like to do. That is why we hire talent. In a perfect world, we'd assemble a team of skilled people, all having different strengths, who are perfectly complementing to one another. In a near-perfect world, we hire near-perfect talents with near-perfect performances.

True A players hire A players. Top of the game. After all, remember, at the end you will have the workforce you deserve.



“If you want to be promoted make sure somebody else can do your job (almost) as good as yourself.“

8. MAKE YOURSELF PROMOTABLE

If you have nobody who can do your job as good as or better than you do, it will delay your career.

When I read the advice that one receives when googling "how to make yourself promotable", I have a little grin on my face. Not that anything that is written there is untrue; many of the advice may actually be helpful: Go the extra mile, ask for it, don't be afraid of a little self-promotion, create value, be resourceful, be a team player, and many, many, more. All good advice, all of them helpful and most likely true, and yet by far not enough to get promoted.

Let's talk about a man who called himself Archibald Putt. Archibald Putt is the pseudonym of a man whose contributions in science, engineering, and R&D management are well-known. He has served on government advisory committees, managed basic and applied research, and held executive positions in a large multinational corporation. In his book "Putt's Law and the successful technocrat" published in 1981, he described a phenomenon that I found to be true very often in the past forty years of my career. Yet all of the good online advice-givers are missing this very important point. Putt talks about the principle of negative selection and states "Technology is dominated by two types of people, those who understand what they do not manage and those who manage what they do not understand. Every technical hierarchy, in time, develops a competence inversion, with incompetence being 'flushed out of the lower levels' of a technocratic hierarchy, ensuring that technically competent people remain directly in charge of the actual technology while those without technical competence move into management."

Now this might sound a bit dramatic. But the truth is, that if you are doing a very good job, a great job, a fantastic job, the risk for leadership to take you out of this job and promote you into a higher position might be greater than the benefit. Or in other words, if you want to be promoted make sure somebody else can do your job (almost) as good as yourself. That is the very key to every promotion.



"Decision making is and always will be in the hand of the leader, not the collective. You are the leader, therefore lead!"

9. IT IS - AFTER ALL - LONELY UP THERE

Opinion making is a team sport, decision making is not.

"I have searched all the parks in all the cities – and found no statues of committees".

Gilbert K. Chesterton

We talked about the importance of a high-quality, high-performance team of A players.

Some leaders tend to turn decision making into a team sport. This is a mistake that I have seen mostly made by leaders that have been awarded this responsibility at a young age. Insecure about their own comprehension of a situation, they tend to lay decision making into the hands of their team, a committee. Not realizing that the one who carries the responsibility for the outcome of a decision is only one: the leader, not the committee, not the team.

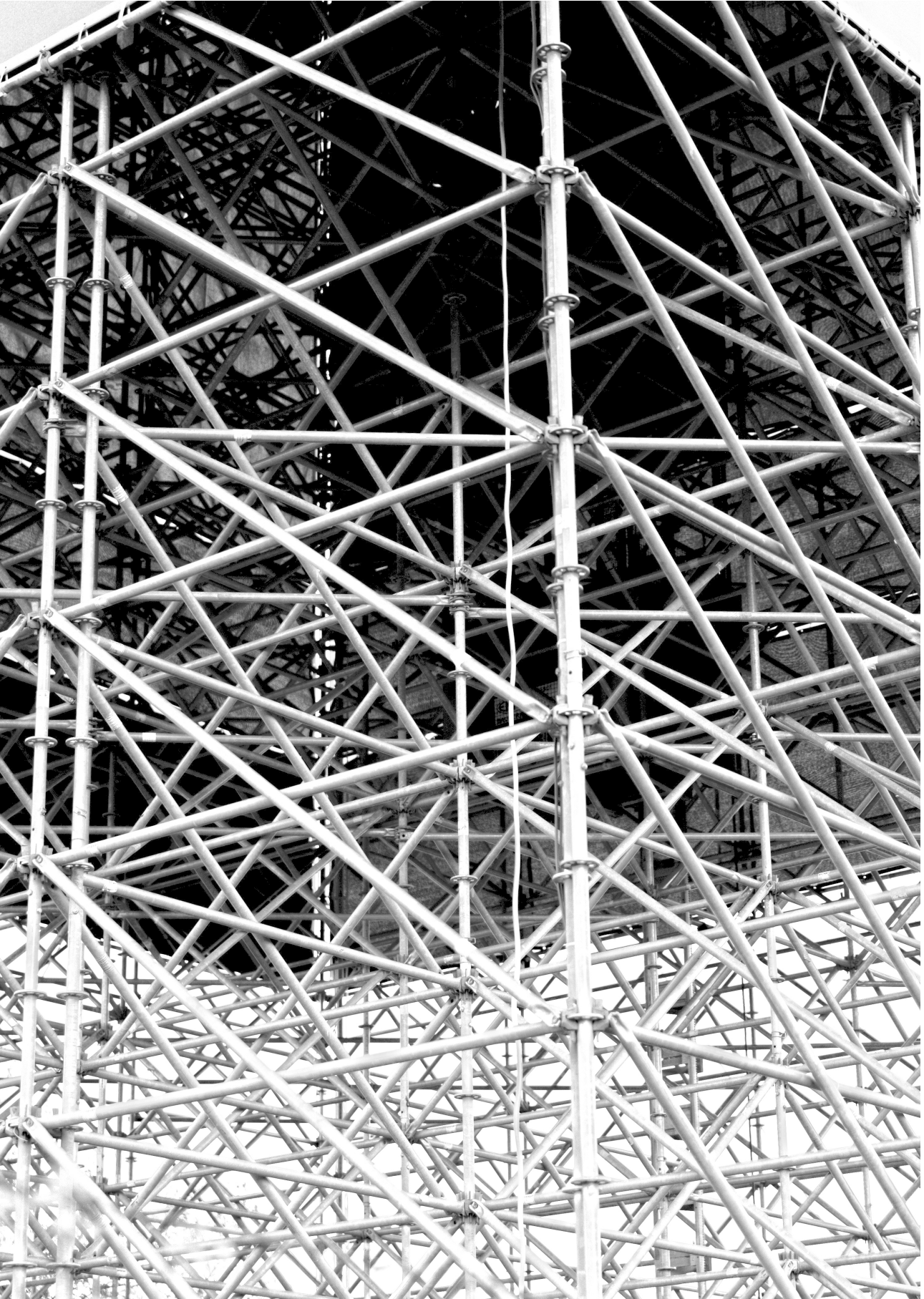
On my quest to find the truth of real leadership, it was what Gilbert Chesterton wrote that struck me the hardest. One Chesterton quote summed up the important leadership guidance: "I have searched all the parks in all the cities – and found no statues of committees". Gilbert Chesterton, a 19th century English writer and philosopher, explored in his – plainly written – book "St. Thomas Aquinas" leadership, digging deeply into Thomas Aquinas as a leader who "listened broadly and decided narrowly."

In many of his writings, he suggests that leadership-by-committee is not leadership. It is an abdication of responsibilities, and no positive legacy would ever be forthcoming from such behavior. He supported this from religious and political perspectives, reminding us that the purpose of committees in the leadership process is to be "loyal information butlers".

This is how committees serve. Not by making enterprise-impacting decisions, but by serving up credible, unbiased information to leaders who have the "strong shoulders" necessary to make tough decisions. And while diversity of "opinion" can provide different perspectives on the same issue, a perspective's contribution is only valid if it is founded on truthful analysis and facts. In other words, diversity of perspective is only valuable if it aids in finding and exposing the truth.

Chesterton points out how "strong shoulders" derive from convictions of truth and credible information derives from convictions of integrity, which circularly derives from convictions of truth. Thus, all those who surround and "aid" a leader, are bound to the same convictions of the leader. They are bound by loyalty, integrity and truth. Anything less should demand the committee removal.

Decision making is and always will be in the hand of the leader, not the collective. You are the leader, therefore lead!



"It is never too early, but also never too late, to start building up one's own personal and professional network."

10. IT NEEDS A NETWORK TO RAISE A LEADER

Networking is not just about connecting people. It's about connecting people with people, people with ideas, and people with opportunities.

Many people think that in order to do successful business deals, one needs to be able to play golf. Or be in a network of an alumni organization of a top college. Or at least route for the same baseball, football, basketball, or ice-hockey team as your potential business partner. While all these things can be helpful, they are not must-haves. I have played ONE single game of golf in my life; my alma mater is the University of Innsbruck in Austria and I learned about baseball with my first born when he was a toddler. Football, I admit, I still don't understand all of it. And yet, I was able to do quite successful business deals in my life. How come?

Networks! But where to start?

An eye-opening event in my life was a meeting one day with the late Gerard Doherty, a brilliant lawyer, founder of the Kennedy Center and personal friend of JFK, in Boston, MA. He was like an uncle to me with whom I could reflect many things and find guidance and advice. As I was one day complaining to him about the difficulty I had to promote cogeneration plants in the US market due to the current legal framework, he just said "Well then, let's change the law!" This was jaw dropping. And he meant it. A completely different approach, a new thinking. The discussion I had with him this January afternoon started my interest in – yes – "interest groups" or associations.

But what is an association? The official definition from the IRS is: "In general, an association is a group of persons banded together for a specific purpose." There are overall tax-exempt communities, which numbers close to 1.8 million in the U.S. alone. Add to that an estimated 1 million philanthropic or charitable organizations and you begin to get the scope of interest groups.

There may be some less useful but very entertaining associations like the American Donkey and Mule Society, the American Gelbvieh Association, or the Unemployed Graduates Association of Ghana (all real). But I became a member and engaged in several – for my business – very useful ones. So did I proudly serve for more than a decade on the Board of the National Association of Manufacturers, the Associated Industries of Florida, and others. Needless to say, that the people that I met there and often became friends with were instrumental to many of my successes. In addition, I learned so much about the manufacturing business at large. I used every potential opportunity of the many invitations from CEOs and COOs to visit and tour their facilities. What I have learned there and was able to bring back home to improve my own operations was invaluable. I also learned that we do not have to reinvent everything and that it does not have to be our idea for improvement every time. To learn from others and adapt their solutions to our needs is faster, cheaper, and equally effective.

And a last advice: I have been member of the local Vistage group for more than a decade. The monthly discussions in this peer group, the guidance from the executive coach that chaired the group and the many world-class speakers I listened to about all kinds of leadership relevant topics were instrumental in my own leadership development. And it is a good place to get started creating your own network.

Networks and associations can be very helpful for leaders in many aspects: to develop and grow, to exchange and to connect. Most of the best leaders I know are excellent networkers, having important and influential names in their contact lists. It is never too early, but also never too late, to start building up one's own personal and professional network. And yes, networking takes up a lot of time and effort, first of all to build and second, to maintain. But it will be worth it. Leaders are facing many challenges, and while I mentioned before, that it can be quite lonely up there, know that many others out there are also confronted with similar hurdles. A network can help you to step up your leadership game – build it diligently and use it wisely.

CONCLUSION

Being a leader is not an easy job, but it can be a very rewarding one. There are many things I had to learn the hard way during my almost life-long leadership journey, and some of them were eye-opening. I hope, that with my 10 Leadership Lessons Nobody Will Teach You, I can save you from some pitfalls or troubles when leading your teams, however small or big they are. But don't forget, leadership is not a definite science, it's even more art than science; and leaders are never done learning.

Hannes Hunschofsky

