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A New Value Proposition for Leaders

By Ed Wallace

“My business is built on relationships!”

Most executives and managers will tell you that strong human relationships are critical to their success. They say they also need their team members and employees to be great at developing and maintaining relationships, collaborating, innovating, advocating for company goals and keeping the organization functioning effectively. These leaders would say human relationships—as opposed to digital or what I like to call “ethereal” relationships—are central to their ability to influence and inspire individuals to achieve their organization’s mission. Whether it’s external or internal business relationships, we need to understand how people think and act, what it takes for someone to want to listen to you, help you, work for you, work with you, and even buy from you.

Candice Bennett and Associates Inc. recently conducted a survey of Fortune 500 executives across all business functions. It found that 89 percent of executives believe the strength of customer and employee relationships is the main reason they achieve their performance objectives every year. However, the survey goes on to indicate that only 24 percent of corporate leaders formally think about relationships from a process perspective. Therefore, very few leaders take any kind of structural, systematic approach to doing this.

Relational Leadership

I find it paradoxical: if relationships are so important, why are leaders unable to display “intentionality” toward them? The answer is due to the fluid, unpredictable nature of business relationships that makes companies struggle with just how to capitalize on their potential. In fact, many business leaders view developing business relationships as an instinctive mind-set rather than an approach based on beliefs, new skills and a repeatable process. I’ve heard the phrase, “We focus on hiring and growing people with the most magic”—and they hope that magic will rub off on everyone else. The common result is a haphazard, almost accidental process of relationship development. In other words, they do the best they can with relationships as the opportunities come along, and then they hope for the best. However, there is a solution

#1 Display Worthy Intent					
		#2 Care About People’s Goals, Passions, & Struggles	#3 Make Every Interaction Matter	#4 Value People Before Processes	#5 Connect Performance to a Purpose
Increasing Value of Relational Capital	Advocate	Lead with Warmth; Focus on the Essential Qualities – Credibility, Integrity, Authenticity	Focus on using time purposefully with POP; Action Plan for all Important Business Relationships	Develop Personal Value Propositions; Apply Lateral and Vertical relationship strategies	Develop Project Value Propositions; Career spanning Long Term investment in business relationship
	Professional Peer	Lead with Warmth; Focus on the Essential Qualities – Credibility, Integrity, Authenticity	Focus on using time purposefully with POP; Action Plan for all Important Business Relationships	Develop Personal Value Propositions; Apply Lateral and Vertical relationship strategies	
	Colleague	Lead with Warmth; Focus on the Essential Qualities – Credibility, Integrity, Authenticity	Focus on using time purposefully with POP; Action Plan for all Important Business Relationships		

to overcoming the risks of this approach, and it begins with the way leadership’s value proposition is evolving.

In my recent book, “The Relationship Engine,” I quote Tom Feeney, president and CEO of Safelite AutoGlass, who said, “It is no longer enough to merely direct action; today we must inspire and empower belief which requires us to build more trusting relationships with people than ever before. This applies to leading people within your organization and it applies to becoming a leading brand. Customers no longer buy what you sell; they buy what you stand for. Relevant and sustainable brands are those that build love, loyalty and trusting relationships with their customers and employees.” Wow, this was the first time I

ever heard a CEO use the word “love” in their description of leadership!

Such is the paradigm shift for Safelite’s leaders. Their job descriptions now contain phrases like “Think People First” and “Caring Heart” to describe required characteristics and expected interactions with both associates and customers. To date, this leadership “transformation” is evidenced (quantitatively and subjectively) by their rapid growth and strengthening business results. Safelite’s “relational leaders” strive to become the kind of people that other people enjoy working with and focus on winning every day through the impact they have on other human beings.

Then what exactly is a “relational leader”? First, this is not an exclusive club for senior

executives. Anyone can be a relational leader, unlike many leadership models that focus mainly on management and high-potential employees. I continue to marvel at the relational leaders I meet at all levels throughout companies and even a few who are not part of organizations at all. Second, a relational leader's value proposition is to create a superior experience for others as the key driver of business performance. That experience can manifest itself anywhere from working on a corporate strategy all the way down to greeting someone you run into in the company parking lot. Finally, relational leaders "competitor-proof" their organizations and themselves through a consistent, intentional focus on investing in the relational capital—the distinctive value created by people in a business relationship—needed to drive performance in today's quickly commoditized business environment.

What's Missing?

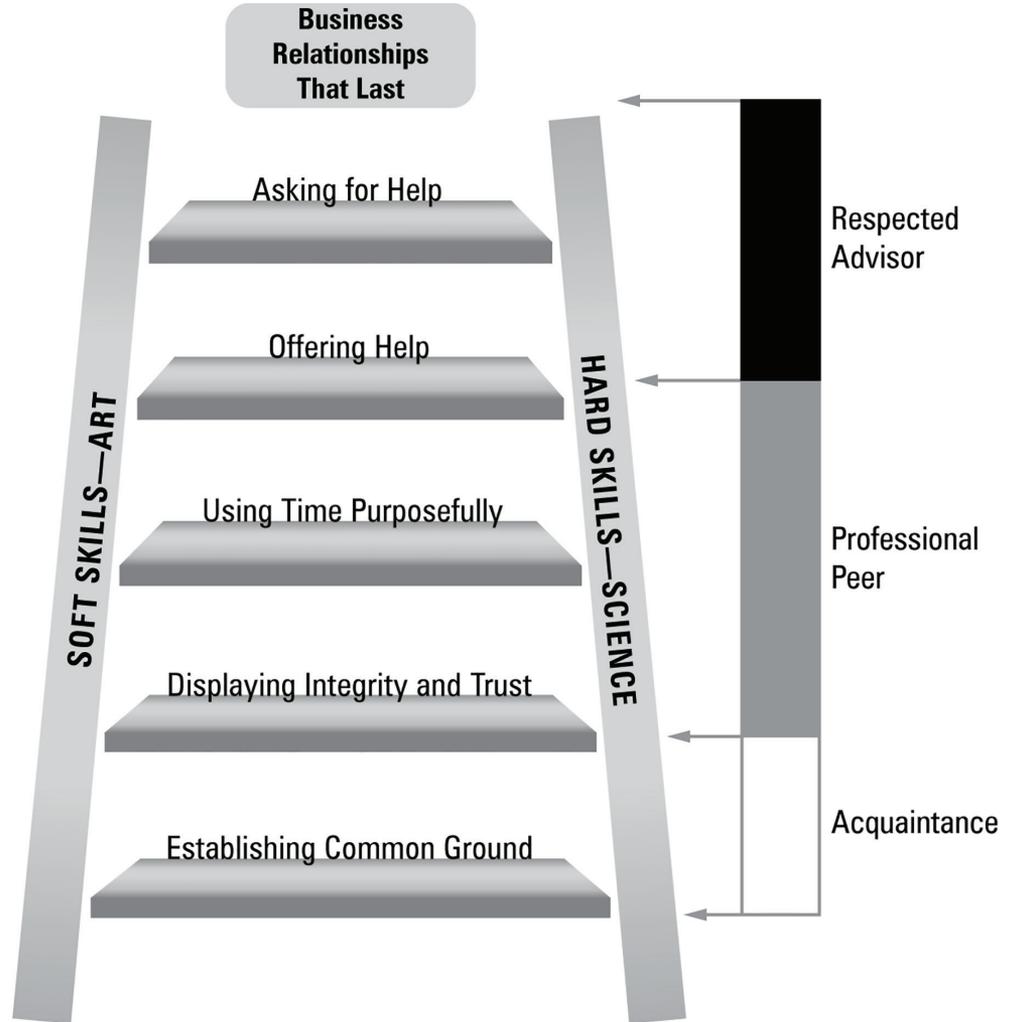
So why are leaders missing the relational mark? My experience, through many years of research into business relationships and working with over two hundred fifty companies and organizations, has shown me that there are five identifiable principles that lead to intentional relationship development and, not surprisingly, superior performance. They are at the very heart of the practice of the most successful leaders at all levels in organizations and life. The Five Principles of the Relational Leader are as follows:

1. Display Worthy Intent
2. Care About People's Goals, Passions, and Struggles
3. Make Every Interaction Matter
4. Value People Before Processes
5. Connect Performance to a Purpose

Figure 1 The Five Principles of the Relational Leader

Relational Agility

These principles form a system of beliefs for high performers that relational leaders follow and apply intentionally. I define this intentionality as the way relational leaders coordinate a principled, purposeful and practical relational approach. This results in a competency that I call relational agility that allows them to bridge the generational gaps that exist today between Boomers, Gen Xers and Millennials; navigate the corporate maze; and collaborate with people to harness their collective talent, thought and effort. Through



my experiences and research, I know they can be learned, practiced and improved, bringing a surprising level of precision to relationships in organizations.

This begins with the first principle, known as Display Worthy Intent: putting the other person's goals and values at the forefront of each business relationship, creating an exceptional experience for others. Relational leaders then apply the remaining principles to create relationships that immunize them against all competitors both within and outside their organizations.

Also, this new competency of relational agility allows relational leaders to create/advance relationships at three defined dimensions based on the goals they are pursuing together:

Colleague: relationship of businesspeople who have not worked on common goals previously

Professional Peer: relationship of working together as peers despite different roles or

hierarchy in the business relationship

Advocate: career-spanning relationship

Figure 2, above, provides an illustration of how to apply relational agility to these three dimensions:

We all create plans and strategies for many aspects of life: education, careers, building a home, retirement, and even playing games with our children. So why leave the development of important business relationships largely to improvisation or magic, when even magicians have a disciplined process to accomplish their illusions? Relational leaders deliver on the new value proposition for leadership through a strategic, intentional focus on their business relationships using the five principles and the process that I've shared in this article. Companies that "invest in relational capital" will be the long-term winners in today's complex business environment.

Everything can be commoditized, digitized or outsourced, except for relationships!

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