

PERSONAL LITERACY

Understanding and Valuing Yourself

In a world exploding with information, companies must be transparent. Their leaders must be open, honest, and committed to learning. Motivated by principles, they must face change with passion and confidence.

PERSONAL LITERACY is the first building block of global literacy.

The foundations of personal literacy are: self-awareness—understanding yourself; self-development—renewing yourself; and self-esteem—valuing yourself.

Personally literate leaders must master these key behaviors:

- Aggressive insight
- Confident humility
- Authentic flexibility
- Reflective decisiveness
- Realistic optimism

On the surface, these paired behaviors may seem contradictory; their juxtaposition may jar you. You may feel drawn to one or the other end of the continuum, thinking that you can be either reflective or decisive, but rarely both at the same time. You feel you can be realistic or optimistic, but not both concurrently. But while that kind of “either-or” thinking might have worked in the past, our complex global world has outgrown that mindset.

Instead, we need to grow the capacity to think in “both-and” rather than “either-or” terms, as our Asian colleagues have successfully done for generations. As personally literate leaders, we must see qualities we assume to be opposites as part of the same continuum—and interdependent—rather than as polar opposites.

“Personal Literacy,” in *Global Literacies: Lessons on Business Leadership and National Cultures*, Robert Rosen et al, Simon and Schuster, 2000, pp. 61 - 67.

62 Our challenge is to hold and process seemingly contradictory concepts such as these inside our head simultaneously. Leadership solutions lie in resolving and balancing the creative tensions among them, in understanding deeply how to both be confident and humble, authentic and flexible, aggressive and insightful.

Achieving personal literacy is easier said than done. Each of us leans naturally toward one end of the continuum of these behaviors—or the other. Learning humility may be a lifelong challenge for the arrogant leader, and humble leaders may find it difficult to make bold decisions, take risks, and stand up for themselves. Some leaders take pride in having strong values but are inflexible and moralistic. Others are so flexible that they never develop a clear sense of right and wrong. Some leaders reflect too long without acting, while others act without thinking. The challenge is to know where you stand on the continuum of each personal literacy behavior—and to be open to developing skills at the other end. Having access to the tools at both ends is where the real competitive advantage lies.

Each of these behaviors that comprise personal literacy requires exploration: What do these concepts mean to you? How do they interact and balance? What do they look like in practice? How does culture influence them?

Aggressive Insight

During a speech in Frankfurt, Germany, Lee Kun-Hee announced that change begins with him. To effect change in groups, he said, “we must initiate change within ourselves.” The chairman of Korea’s Samsung Electronics, Lee knows that change must come from the inside out. “You have to know yourself well,” he says, “your habits, strengths, and shortcomings. Questioning yourself thoroughly is the beginning of change.”

Lee models the first step toward global literacy—committing to a continuous and intentional process of self-awareness and renewal. Personally literate leaders share this trait of insatiable curiosity—about themselves and the world around them. What’s unique is the way in which they each express it, depending on their culture.

Without curiosity, global leaders live in the past, lost in a world of limited relevance. Change occurs so rapidly that “old world” views, even those of six months ago, won’t work anymore. And these leaders know it.

Personally literate leaders know where they excel, where they have shortcomings, and what their blind spots are. They question assumptions and ask for feedback from others. Theirs is an aggressive insight because it is proactive—they constantly seek opportunities to test themselves and learn from their successes and failures. Constant self-reexamination allows them to shed old baggage and reinvent themselves.

Personally literate people are psychologically astute. They understand

their own emotional intelligence—what excites and inspires them and how they trip over negative emotions of anger, anxiety, and depression. They understand how negative feelings can destroy people and organizations. And they know how to counteract their impact without short-circuiting themselves.

While they appreciate the universal need for aggressive insight, personally literate leaders also understand that each person has his own approach to self-knowledge.

Why, how, and where we seek self-awareness reflect our cultural roots. North Americans, for example, seek self-knowledge primarily from external sources—hence the billions of dollars spent on personal therapy, religious affiliation, and self-help books and tapes in the United States—while Eastern leaders look inward for awareness and meaning through yoga or meditation.

Relationship style matters, too. People in individualistic societies such as Great Britain and Australia approach self-knowledge as a personal act of courage and discovery, while people in collectivist societies such as Korea and Taiwan see the development of oneself as inextricably intertwined with the community.

Confident Humility

Aad Jacobs speaks and dresses humbly. He drives an old car and spends the same amount of money he did twenty years ago, when he was a manager. He’s an open, honest, unassuming man who recently retired as CEO of the ING Groep, one of the world’s most powerful financial institutions with assets of more than \$250 billion. He’s humble enough to ride his bike to work and confident enough to march unnoticed into Barings Bank and buy it, cash on the barrel.

As Jacobs demonstrates, the second building block of personal literacy is being confident and secure, yet humble enough to listen and learn from others.

Healthy self-esteem stems from being comfortable with who you are, knowing clearly what you can and cannot do, and being at ease with your own power. Confident leaders are bold in their actions. But confidence unabated is arrogance, which personally literate leaders can’t afford.

They must balance personal security and confidence with a quiet humility. By recognizing that they’re only human, they accept their imperfections and learn from their mistakes. By seeing people as equal but different, they’re open to learning from others and asking for advice—something only confident leaders can do.

Confident humility means having a healthy ego without feeling self-important. For many leaders who have risen to the top by being bold and outwardly confident, balancing their strong-willed behavior with a quiet confidence about who they are is a new skill.

Our capacity to express both confidence and humility in combination is culturally determined. Ambitious self-esteem and confidence look different in Asia than in the West. Our comfort with "selling" our abilities is different among people in the United States and Great Britain: Americans tend to exaggerate their accomplishments, while the British understate them.

Confident humility also poses different challenges for developed and developing worlds—and creates an opportunity for mutual learning as well. North America and western Europe stumble over humility, while nations in the developing world struggle with confidence.

Authentic Flexibility

Motorola chairman Bob Galvin stands for a strong value: uncompromising integrity. The architect of Motorola's modern success, Galvin supports that sacred principle with a constantly redefining and changing sense of personal renewal among all Motorola associates. He constantly reinforces the value of integrity and ensures that it, too, has room to grow and renew.

Like Galvin, personally literate leaders must have a teachable point of view and stand by their values and ethics. They must also develop a life purpose. All are elements of living an authentic life.

There are three key elements of authentic flexibility: a personal purpose, a set of ethics and standards, and a teachable point of view. The challenge is to be authentic in a world with confusing or conflicting values and with ethics that seem to contradict our own. And that's where flexibility comes in.

In a world of fewer black-and-white and more gray areas, leaders must embrace change, uncertainty, and contradiction while letting others know that their own personal integrity is simply nonnegotiable. By retaining our core principles and developing personal ethics, we will be able to navigate through the moral morass.

Personally literate leaders must have a point of view, a moral position, a solid platform of principles. Their followers and businesses demand it. But what's missing—and vital—is flexibility. Skyscrapers without sway can't withstand earthquakes.

Can we be flexible and also have a sense of right and wrong? The answer is that we must. It's important to have clear ground rules yet be able to adapt to changing circumstances without compromising our core principles.

Being flexible requires us to be principle-driven with integrity, enabling us to be open to conflicting ideas. We must learn to adjust our perceptions and moral lens, but not our principles. Our character interacts and evolves with changing circumstances. We understand that culture influences ethics and that there are different ways of conducting business around the world.

Our comfort with the concept of flexible values and how we exhibit au-

thentic flexibility differs by culture. The Asians do it best: their heritage of being able to hold two opposing concepts in their minds, where it's difficult to tell where one starts and the other stops, makes them innately more comfortable with ambiguity and uncertainty. Other cultures, such as those in western Europe and North America, demand and seek distinctness, clarity, and order with clear borders and outlines. But authentic flexibility is vital because as business moves into the twenty-first century, borders and order are becoming increasingly extinct concepts.

Reflective Decisiveness

When Tenneco's Dana Mead makes decisions about quality packaging, he's less concerned with process than with results. Halfway around the world, Toyota's Hiroshi Okuda cares as deeply about results, such as the number of new car models each year, but he's also passionate about the *process* and ensuring that the result is consensus-driven.

Both Mead and Okuda know that to lead is to act and that we measure our leaders by results. But here are two leaders from opposite ends of the world who create results differently. Both value thinking and acting, but each does so in his own culturally unique way.

Reflective leaders think carefully and talk through their concerns. They thoughtfully consider all options, ask for assistance, and draw on past experiences to make decisions. They are concerned about future consequences and question how various decisions will help or hinder their desired future.

Decisive leaders are bold and forceful. They are matter-of-fact thinkers who test ideas and grasp situations quickly. They feel free to take action, are quick to form judgments, and are direct and to the point.

Together they exhibit reflective decisiveness—knowing when to think and when to act, effectively balancing thought and action. Achieving this level of personal literacy requires leaders to carve out space for reflection, seek information, and then act boldly. They must strive to understand the past while leveraging that knowledge to make decisions for the future. Then they must act with urgency; they cannot afford to be paralyzed by visions of limitless possibilities.

Personally literate leaders actively manage alternative scenarios in their head, imagining both possibilities and their consequences. They are comfortable not knowing everything and give themselves the freedom to make bold decisions.

But people differ in how they make long- and short-term decisions, partially because of their cultural marrow. Culture influences who is to make decisions and how quickly. How decisions are made—alone or in a group, quickly or slowly—and the amount of information needed before they can be made is also culturally determined.

66 The Japanese practice of *ringi* is a relatively slow process of consensus building that illustrates how decisions are made in that culture. Sometimes Westerners express impatience with *ringi*'s endless consultations. Meanwhile, the Japanese find fault with the swift, unilateral decisions of Western businessmen.

Decisive leaders operating in reflective cultures are often perceived and discounted as impulsive, insensitive, and superficial; alternatively, reflective leaders operating in action-oriented cultures are perceived as slow, bureaucratic, and overly process-oriented. Leaders who merge those two behaviors exponentially enlarge their leadership capacity across many more cultures.

Realistic Optimism

Rolf-Ernst Breuer, managing director of Deutsche Bank, was enough of a realist about the changing dynamics of world banking to recognize that his company needed a partner. And he was enough of an optimist to seek out Bankers Trust. Breuer is realistic about the German past and about his company's role in financing Auschwitz, the German death camp. Stepping up to the plate about the past, he's able to anticipate Deutsche Bank's future. He's realistic and optimistic simultaneously.

We're drawn to inspiring leaders who demonstrate their passion for possibility and tell us we can achieve impossible things. But we also need leaders who bridge hope and reality, who have one foot in the future and one in the present. Personally literate leaders do both.

Realistic people are direct. They talk about what's really going on in the business. Honest about business drivers, competition, and opportunity, they're also comfortable giving true, direct feedback.

Optimistic people, on the other hand, are imaginative. Always traveling into the unknown, they see possibilities that others cannot see. They have a great capacity to dream, break with tradition, envision a better tomorrow, and excite others about the future.

Because globalism both enables and threatens business, we need leaders who are simultaneously idealistic and realistic. Balanced between a desired future and current reality, they can stretch themselves and others to be better than they are, all within a framework of honesty. Leaders with realistic optimism articulate hope through their commitment to the truth. Simply put, personally literate leaders dream of what should be while telling it like it is.

Capacity for realistic optimism reflects our culture: Are we future-oriented dreamers, or are we present-focused and pragmatic? Surprisingly, the United States is one of the most skillful nations at both ends of the continuum. It is a society driven by an urgent quest for new technologies and

THE TOP FIVE PERSONAL LITERACY SKILLS

When asked to identify the two most important personal qualities for leadership, business executives said:

- Leading by example: 56%
- Facing change and uncertainty with confidence: 45%
- Being motivated by strongly held principles and beliefs: 38%
- Knowing one's own strengths and shortcomings: 31%
- Being committed to continuous learning: 30%

ideas. At the same time, U.S. business leaders are dramatically realistic: they are direct, short-term, transparent thinkers, combining the strongest venture capital system with one of the shortest-term mentalities in the world. Americans embrace the tension between realism and optimism every day. By contrast, Europeans are deeper thinkers. Intellectually driven to debate, their values emphasize history and a search for the truth.

The key to achieving personal literacy is learning from leaders themselves, in companies around the world.

In this chapter, we'll meet the Netherlands' ING Groep CEO Aad Jacobs, who teaches us humble, yet confident, honesty. In the United States, Ogilvy & Mather CEO Shelly Lazarus urges us to practice what we preach. Young Kumar Birla, CEO of India's Birla Group, models emotional maturity. Deutsche Bank CEO Rolf-Ernst Breuer shows us how to look reality straight in the eye, and the Samsung Group's chairman Lee Kun-Hee demonstrates how to make change from the inside out. Each is personally literate in his or her culturally unique way. Their stories show us how to be personally literate ourselves.