



Illustration by ENRIQUE GUILLAMÓN HIDALGO

THE MAGNET AND THE HAMMER

The Twin Pillars of Effective Leadership

By BRIAN O'CONNOR LEGGETT and CONOR NEILL

As a manager, you no doubt have some difficult decisions to make right now. Decreasing revenues have put leaders in the thankless position of having to reduce costs, often by cutting jobs and slashing salaries. The stress is enormous, both for the manager taking the decision, and for the many others affected by it. But being in a position of leadership means having to make tough calls.

Times like these call for strong leadership.

We are not the first generation of leaders to have lived through uncertain times. Strong leaders of the past have been born from equally hard circumstances, and the great leaders of tomorrow are being forged in the current cru-

cible of global economic uncertainty. You can be one of these leaders. This time of challenge need not be without purpose.

However, rising to the challenge requires new leadership tools, namely the tools of the *magnet* and the *hammer*. These two instruments may seem an odd couple, but for any leader interested in making an impact or effecting change in the world, the magnet and hammer need to be added to every manager's toolbox. Knowing which tool to wield, and when, to elicit the needed cooperation is a critical managerial skill.

Leadership Lessons

Step back from the workplace for a moment

and think of another realm that requires skillful leadership: politics. Political leaders, like managers, must constantly seek consensus and foster cooperation among diverse sets of stakeholders in order that they all might work together fruitfully in pursuit of a common goal. Some of the best lessons to illustrate the twin leadership tools of the magnet and hammer can be found, not just in the Steve Jobs or Warren Buffetts of the world, but in some formidable political forces of the past 50 years: John F. Kennedy and Lyndon B. Johnson in the 1960s, Ronald Reagan and Margaret Thatcher in the 1980s, and more recently, Tony Blair, Gordon Brown and Barack Obama.

Leaders, we are constantly told, need *vision*. Visions need to inspire, but if they lack the resolve to hold people accountable to a clear set of standards, then the visionary leader is discounted as nothing more than an ineffective idealist. Such was the case for U.S. President Barack Obama, a highly articulate and visionary leader who faced accusations of being weak after taking office.

British Prime Minister Tony Blair, who also came to power with an overwhelming public mandate, backed his grand vision with an abil-

ity to use power to achieve ends. Blair had a group of enforcers who ensured that immediate action was taken and his policies were made tangible, though he was later accused of being too heavy-handed.

Blair's successor, Gordon Brown, came to power with no vision to speak of, and he didn't achieve anything tangible in his early days in office. Given that few people understood his overriding vision, they assumed he wanted power for power's sake. Then, when he tried to enforce his policies, he was labeled as a bully, because there was no overarching *why* behind the enforcement.

These three leaders capture the essence of the leadership challenge facing every manager today. We have conducted 10 years of research on the style of effective leaders, using case studies of prominent personalities such as these, to extract some key lessons for developing the magnet and the hammer, which we will explore in this article.

What Is the Magnet and Hammer?

To be effective, a manager must master the dual aspects of executive leadership (see **Exhibit 1**). First, you need a set of leadership actions that create a pull toward a destination. These actions include vision, storytelling, charismatic speaking and role modeling. That's the *magnet*.

Second, you need a set of leadership actions that drive change directly. These actions include direct orders, threats, control systems, hiring and promotions, job definition and financial incentives. That's the *hammer*.

It is no easy task to get the balance right. The hammer must give way to the magnet, and vice versa, and all the while there may be very little evidence that either tool is working.

This brings us to another point to bear in mind when applying these leadership tools: It requires a certain amount of patience, dedication and care. In as much as a magnet generates a force that immediately attracts other objects, it also has a slow-acting, long-term effect on other metallic materials in range of its field, eventually bringing them all into alignment. A hammer, too, has a steady effect over time, bending a piece of metal or chipping away at stone until the desired shape emerges.

There Is No "Best" Tool

A carpenter might have a favorite saw, but it serves for nothing if his job is to remove a nail from a board. A crisis situation, such as the re-

EXECUTIVE SUMMARY

During periods of crisis or disenchantment, charismatic leaders emerge because they offer an alternative to the uncertainty of the times. Such was the case in the 1980s with Ronald Reagan, whose clear message and emotional style held across-the-board appeal and provided a sense of certainty after years of political and social turbulence.

Using case studies of prominent leaders of the past 50 years, the authors explore the keys of effective leadership. In business as in politics, managers can use the challenges of the current uncertain times to inspire others and lead change. To do this, they need two important tools: the magnet and the hammer. Magnet actions include vision, storytelling, charismatic speaking and role

modeling, which create a pull toward a destination. Hammer actions include direct orders, threats, control systems, hiring and promotions, job definition and financial incentives that drive change directly.

Four practices that will help leaders develop skill with these tools are: developing a personal vision; articulating that vision in a way that connects powerfully with your audience; following through on your promises; and then making sure everyone else fulfills their part of the bargain. The authors offer practical tips to help managers go further, and urge them to put their magnet and hammer into practice in various non-work settings, too. By following the examples of yesterday's leaders, you can become a visionary leader of tomorrow.

EXHIBIT 1

The Leadership Toolkit

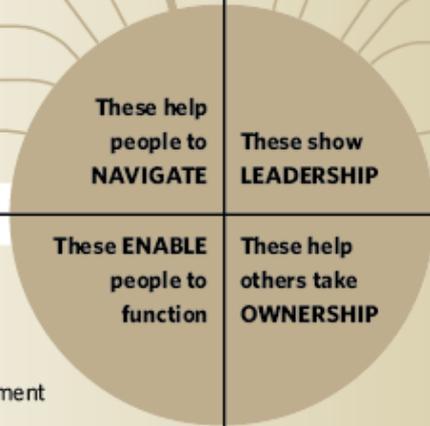
PICK UP YOUR HAMMER & MAGNET AND PUT THEM INTO ACTION

HAMMER ACTIONS THAT CREATE PUSH

MAGNET ACTIONS THAT CREATE PULL

All aimed at reducing uncertainty

- Make strategic plans
- Follow standard operating procedures
- Set metrics
- Issue threats
- Offer rewards
- Give orders



- Cast an inspiring vision
- Speak charismatically
- Be a role model
- Follow important rituals
- Embody a clear set of values

All aimed at enabling people

- Provide training
- Hire and promote
- Establish management control systems

- Tell personal stories
- Negotiate firmly but fairly
- Communicate publicly
- Serve as an ambassador
- Engage in open dialogue
- Learn from each other

cent financial downturn that most countries and companies have experienced, requires leaders not only to choose their tools wisely, but to make full use of the entire toolbox.

The magnet tools that were effective at sustaining the momentum of success are now the wrong tools to deal with crisis. Magnet tools can be used to create a sense of urgency in the organization, moving people to break from the status quo and rally around a new set of objectives, activities and priorities. But then the hammer tools need to be employed posthaste.

How do leaders become skilled at using these tools? A large part of the mastery comes from identifying the right tool for a given leadership challenge, and then actively following through and applying the chosen tool in the real world. As Scott Belsky in his book, *Making Ideas Happen*, states, “Leadership development is experimental. Through trial and error, good times and bad, we gradually become better leaders – but only if we are self-aware

enough to notice when and why we falter.”

There are four practices that we see in effective leaders that give them the clarity to choose and effectively use the right tools for each leadership challenge. These practices are best developed through a continual learning cycle that involves experience, sharing and, above all, the reflection and self-awareness that Belsky speaks of. Let us consider each practice in turn, and at the end of each section are some tips to help managers go further.

Forge Your Vision

Hermann Simon, author of *Hidden Champions of the 21st Century*, has studied medium-sized companies that are market leaders and found they share several key traits, of which the top ones are very much to do with the leader’s vision for the company.

Successful leaders often have one overarching goal that they have identified and developed. Jim Collins discusses this extensively in his books. His term, “Big Hairy Audacious

Goal,” or BHAG for short, captures the essence of this notion. The BHAG is the intersection of the following: What can you be best in the world at? What drives your economic engine? What are you deeply passionate about?

Forging your vision starts by answering those questions – and then genuinely believing in the answers. Commentators such as Jay Conger and Rabindra Kanungo coincide in the opinion that authentic, charismatic leaders communicate a *strong belief* in their own vision to their audiences. The emphasis here is on the strong belief. It is the combination of the strength of their ideas and the passion with which they hold them that makes leaders *magnetic*. But the formation of this passionately held vision may take time to develop.

Ronald Reagan is a prime example of a leader who over time forged a vision and the ability to articulate it. It is useful to note that charismatic leaders often emerge during periods of crisis or disenchantment, because they offer an alternative to the uncertainty of the times.

In the United States, the period following the assassination of John F. Kennedy in 1963 to the arrival of Ronald Reagan in the 1980s marked such a time, politically and socially. Robert Kennedy and Martin Luther King, Jr., were also assassinated during this era, and Lyndon B. Johnson refused to stand for a sec-

ond term due mainly to his inability to find a solution to the Vietnam War. President Nixon had been forced out of office in 1974 due to corruption scandals, while Jimmy Carter’s presidency (1977-1981) had been marked by economic and political volatility.

Enter Ronald Reagan with a clear message, which he communicated with an effective emotional style and to which the majority of Americans responded positively. His message was simple and understandable. He appealed not only to conservatives, but to many blue-collar Democratic voters as well. His message and personality provided a sense of certainty after many years of political and social turbulence.

Before entering politics, Reagan was famous as an actor, and served as president of the Screen Actors Guild. In this capacity, he spent years dealing with left-leaning actors and right-leaning movie studio directors, and developing his own personal view of “the American way of life.” As he had to respond to those advocating a more collectivist agenda with some degree of credibility, he was forced to research the ideas of such people as Friedrich Hayek, Milton Friedman and Edmund Burke. Thus, Reagan’s vision – a combination of free-market economic views and social conservatism – evolved gradually over time and through holding leadership positions that forced him to work with diverse parties on opposing sides of issues.

PUT IT INTO PRACTICE: Try to develop a personal vision in each important area of your life, not just at work but also at home and in the clubs, groups and associations to which you may belong. Start by reading Peter Drucker and Jim Collins. Then identify mentors – people with at least 15 years’ more experience than you – who can help you to: find out whether others regard you as honest, trustworthy, credible; test the consistency of your publicly and privately held views; explore guilt-inducing situations and admit when you are wrong; follow through on your commitments. Disagree with the majority out of conscience and see what happens. Realize the power of your position and be prepared to give up the lead sometimes.

Articulate the Vision

Dan Pink’s book, *Drive: The Surprising Truth About What Motivates Us*, tells us that carrots and sticks can work, but only in a narrow range of circumstances. For enduring motivation and high performance, autonomy, mastery

■ ABOUT THE AUTHORS

Brian O’Connor Leggett is a professor in the Department of Managing People in Organizations at IESE Business School. His areas of interest include the use of persuasion (rhetoric) and dialectic in the management process; the relationship between organizational communication, commitment and identification in organizations; and the connection between leadership and communication. He holds a Ph.D. in Corporate Communications, a master’s in Rhetoric from the University of California, and a Bachelor of Laws from City University London, Inns of

Court School of Law, Gray’s Inn, London.

Conor Neill is a lecturer in the Department of Managing People in Organizations at IESE Business School. An entrepreneur who has founded four companies, he is past Area Director of the Entrepreneurs’ Organization (EO). He spent seven years helping leaders drive change in organizations as a manager in the Change Management division of Accenture. He has a psychology degree from the University of Nottingham and an MBA from IESE. He maintains the blog, “The Rhetorical Journey,” at www.conorneill.com.

A key factor in communicating successfully is eliminating distractions. Charisma is not using your handheld device when you speak. It is focusing on the person in front of you.

and purpose are much better. So how do effective leaders use their vision to build shared purpose? How do effective leaders articulate a reason for those around them to improve themselves?

When U.S. President John F. Kennedy rose to make his landmark speech in Berlin on June 26, 1963, the multitudes waited with bated breath, and they got what they hoped for – a rousing, inspirational message, which articulated the United States' solidarity with the people of Berlin. His immortal line, "*Ich bin ein Berliner*," gave a much-needed morale boost to those living in the shadow of the Berlin Wall and was considered a major turning point in the Cold War.

As well as expressing the hopes, fears and aspirations of your audience, articulating your vision means telling good stories, and in particular, relating your own stories. One place to find good examples of powerful orators is TED.com – "riveting talks by remarkable people, free to the world." The offshoot of a conference bringing together people from the worlds of Technology, Entertainment and Design (TED), these talks have spread like wildfire through the Internet, featuring everyone from Steve Jobs discussing how to live before you die, to the Paralympic athlete Aimee Mullins on running.

Chris Anderson, the curator of TED Talks, says each speaker brings a unique style to his or her presentation, which is strictly limited to 18 minutes. Everyone who takes the podium, however, must have something remarkable to say that connects with the audience. "All the best presentations have some sort of 'wow' factor," he has been quoted as saying. "The key part of the TED format is

that we have humans connecting to humans in a direct and almost vulnerable way. The talks that work best are the ones where people can really sense that humanity. The emotions, dreams, imagination."

To express emotion in a public setting requires the speaker to have an emotional connection to the material. A key factor in communicating emotion successfully is eliminating distractions. Recent research indicates that 20 percent of our "mirror neurons," those that directly affect an audience's ability to feel what you feel, operate on an unconscious level. That is why if you walk up to the podium with your mind full of distractions, having just checked your e-mails and thinking about your plans after the event, the listener's mirror neurons will actually respond to your own jumble of emotions.

If, on the other hand, you are 100 percent present and have a single emotional feeling toward your subject matter, you are more likely to be judged as a charismatic speaker. Charisma is focused emotion. Charisma is not using your handheld device or worrying about 20 problems when you speak to a person. It is the ability to clear your mind and focus on the person or people directly in front of you and their particular needs. See "**The Art of Persuasive Communication**" for more tips on how to deliver a message powerfully.

PUT IT INTO PRACTICE: Start by writing about your vision to larger groups where the direct, personal relationship is not so strong, such as in a blog. Hone a strong, clear, easily understood message that you can communicate to others. Always tell stories to illustrate your ideas. It helps to develop trusted relationships with several people in other lines of business and from various walks of life, so that you can get dissenting opinions, outside perspectives and "buy in" before putting your ideas into action. To practice empathy, take an active role in the career development of a subordinate. Communicating emotion does not mean you have to become sentimental. Indeed, some of the most moving TED Talks are those in which



■ The Art of Persuasive Communication

10 tips that differentiate powerful speakers from the rest.

1. Practice beforehand. Rehearse out loud. Work to control filler words. Use a clock to check your time, and allow for the unexpected.

2. Know the setup. Arrive in advance to check out the speaking area, and practice using the microphone and any visual aids.

3. Know your audience. Try to speak to one or two people as they arrive – they will be your allies during the speech.

4. Start with a grabber. A personal story, a quote from an expert, a shocking statistic – something that hooks your audience and creates a personal connection with the topic.

5. Relax and visualize your

success. Knowing your audience calms your nerves, as it is easier to speak to friends than strangers. Opening with a personal anecdote creates the right emotional atmosphere. Imagine the applause to come. Picture yourself at the end of the speech surrounded by these people asking interesting questions.

6. Speak with an intent to move people to action. Know what you want your audience to do immediately after hearing your speech. If nobody does anything different from what they would have done before you spoke, then the value of your speech is zero.

7. Pause for thought. Include

three to eight second pauses at key moments – just before key statements or just after a story. This draws the audience in.

8. Don't apologize. The audience probably never noticed the small gaffes that seem so big to you.

9. Smile. Look like the content matters. If the audience does not feel it is important to you, then it will be much harder for them to feel that it should be important for them.

10. Keep getting more experience. Take every opportunity you can get to speak and listen to other speakers. Experience builds confidence, which is the key to effective public speaking.

the speaker is able to detach him or herself from the emotional content: watch and learn. Finally, take on some speaking engagements where you can really articulate your vision in front of a live audience.

Hold Yourself Accountable

Warren Buffett, the legendary investor, poses a great question: If you had to bet on 10 percent of the future income of one person you know, whom would you choose? Think about it. Which of the people you know – family, friends, colleagues – would represent your best investment? Which criteria would you use to decide?

Buffett has three criteria: integrity, energy and intelligence. Integrity is more than doing the right thing; it is having a clear set of values, so that you can say no to the things that are not important, and when you say yes, you follow through and deliver. Similarly, energy is more like what Tom Peters (*In Search of Excellence*) describes as “a bias for action” – just getting on with it. And by intelligence, Buffett is referring more to “course correction” than “chess intelligence.”

How do effective leaders strengthen these three traits? One way would be to follow in the footsteps of Google CEO Eric Schmidt, who told *Fortune* that the most valuable advice he

had ever received was to “get a coach.”

A coach is there to help you review your performance and make constant improvements. John F. Kennedy learned the benefit of this from an early age, going down to meet and greet people at local factories and putting in 14-hour days of meetings, interviews and social engagements. Each night, he would sit down with his father and sisters and review that day's performance. Having this kind of support boosted his self-confidence and helped him get better and better. As a leader, Kennedy was not a lone ranger, but surrounded himself with a team of supporters who constantly pushed him to keep his focus on the key activities that would take him one step closer to his goals.

Business thinker Marshall Goldsmith shares how for 20 years he and a friend have spoken daily and reviewed each other's top goals and progress. He cites this relationship as being vital to keeping him focused on what is important and for maintaining a daily rhythm of progress.

PUT IT INTO PRACTICE: Get personally important stuff done. Practice spending more time on stuff that is not urgent, but is important. Break the cycle of being busy on current, incoming work, and spend more time working on stuff that is driven by you, not your environment.

Learn about different aspects of your organization, and make time to discern patterns and reflect on potential disruptions to your industry. Share three important “stretch” goals that are important to you and will help you improve as a leader, then share them with a trusted friend or coach. Another good stretching exercise is to volunteer yourself for a difficult assignment.

Hold Others Accountable

Former U.S. President Lyndon B. Johnson was known as a leader focused on getting things done. Underpinning his style was his belief in the law of reciprocity: He looked for deals where both sides could gain something. He always sought to take the initiative in negotiations, and was quoted as saying, “If two men agree on everything, you may be sure that one of them is doing the thinking.”

The fourth practice involved in being an effective leader is using your magnet and hammer to maximize accountability and ensure that goals are met, the way that Johnson seemed to be able to do. Stanford professor Jeffrey Pfeffer, in his book, *Managing With Power*, identified three features of Johnson’s character, which he suggests helped to propel him to the frontline: focus, flexibility and energy.

FOCUS. Throughout his career, Johnson kept a clear focus on his goal of excelling in the world of politics. Early in his career, for example, he was offered support from the oil magnates of Texas, but he refused because he feared, according to Pfeffer, that it might have negative consequences on his future political ambitions. Later in his career, once he was more secure in his position, he was able to adopt a more easygoing attitude toward his associations. But not until then.

FLEXIBILITY. Looking at Johnson’s career, one can see his overall flexibility in approaching issues. Everything could be negotiated, and in this pragmatic way, progress could be made, even if it meant occasionally reversing one’s own position on important issues. Pfeffer points to Johnson’s record on civil rights issues as evidence of his flexibility.

During a 1948 campaign, he had opposed Harry S. Truman’s civil rights program. It was only later, when the opportune moment arose, that John-

son shifted his stance and went on to become one of the first real civil rights presidents in the United States, helping to implement the “Great Society” reforms aimed at tackling poverty and racial injustice.

ENERGY. Johnson’s boundless energy and physical stamina made an impact on those around him. Coupled with his imposing stature – he was over 6 foot 3 inches tall (around 192 cm) and wore cowboy boots – his energy was an important factor in his overall success, Pfeffer says. His aggressive style, however, also gave him a bit of a reputation as a bully.

Yet for all of this, Johnson was unable to lead the United States toward real solutions for the Vietnam War or the social upheaval at home, and his presidency ended on a flat note. His announcement in 1968 that he would not stand for reelection stunned those around him.

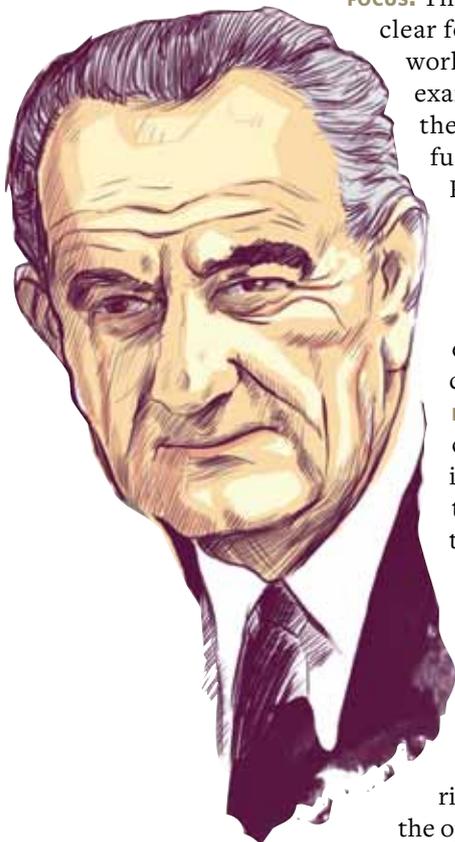
Why did it end this way? Because Johnson simply lacked a vision of how he was going to take the country forward over the next four years.

By contrast, Barack Obama came to the U.S. presidency brimming with vision. During his first months in the White House, although he continued to focus on his vision, he did not appear to be delivering anything tangible. He was criticized for being an idealist and a weak leader – in other words, for being hammer-less. When it came time for health-care reform, Obama was required to pick up the hammer – to twist arms, make phone calls and cajole politicians into supporting the controversial legislation. Some perceived this was uncomfortable for a natural magnet like him, but it needed to be done.

While an inspiring and eloquently delivered message is important, it is certainly not enough. A good vision by itself will not change anything. Vision must be combined with the hammer, which requires using your credibility and power to get people to do things.

Former British Prime Minister Margaret Thatcher was an example of a leader whose leadership style was noted for its well-developed hammer. She wasn’t called the “Iron Lady” for nothing. A determined enforcer, Thatcher was entirely unconcerned about whether those around her liked her or not. She understood crisis moments and was quick to take action.

PUT IT INTO PRACTICE: Are you more naturally a magnet: adept at working the system, gaining the trust of others, cultivating allies, navigat-



Part of the learning cycle of becoming an effective leader is developing your magnet and hammer over time through experience in other spheres, such as charities or business and civic associations.

ing the processes required to get things done? Or are you more naturally a hammer: holding people accountable, making them take responsibility for their actions, setting metrics and tracking progress, establishing discipline, maintaining a forward momentum within the team, group or organization? Effective leaders need to be both, so focus on where you are weakest and make improvements there. Ask others to do things for you. Practice sharing out tasks and motivating peers. Be prepared to be let down, but always consider how you can improve: Clearer definition of an objective? Right balance of autonomy versus support? More coaching and cajoling? Sometimes you may need to take the task back from someone when you realize that it is not going to be completed. Your job is to see that it gets done.

Experience: The Best Teacher

In our research, we found that successful leaders developed their magnets and hammers over time through experience in leadership positions, both inside and outside of professional settings. They often played leadership roles in groups such as charities or business and civic associations.

Robert Thomas, executive director of the Accenture Institute for High Performance, says that leaders become great by facing adversity, and then translating those experiences into improved performance. He uses the term “crucibles” to describe these defining experiences. Crucibles, he says, force individuals to confront who they are and decide what is really important.

In 2010, the firm Baringa Partners was cited as the Best Workplace in the United Kingdom. When asked where he learned to lead so effectively, Adrian Bettridge, senior partner at Baringa, answered, “Outside.” In addition to playing a leadership role in his company, Bettridge is on the board of governors at his children’s school and also an active leader in his church. It is in these outside roles that he has learned what it takes to lead, he says.

As we noted earlier, it was Ronald Reagan’s

experience as president of the Screen Actors Guild that helped him to hone his skills in the areas of negotiation and diplomacy. He also served as a sought-after public speaker, building a name for himself on the professional speech circuit, not only in California, but across the country.

Likewise, part of the learning cycle of becoming an effective leader is about developing your magnet and hammer in other spheres. Right now, you may be a leader who is all magnet but no hammer, or a leader who is all hammer but no magnet. But the supreme goal should be to fully develop both the magnet and the hammer within your own unique leadership style by seeking out projects, assignments and outside hobbies and interests that will serve to give you practice. □

■ TO KNOW MORE

The following technical notes and case studies are available from Iese Publishing (www.iese.com).

- Neill, C., and B. Leggett. “The Art of Persuasive Communication” (2010). DPON-88-E.
- Leggett, B. “Soft Power: An Overview” (2009). DPON-84-E.
- Leggett, B. “Profile of a Great Persuader: Ronald Reagan” (2008). DPO-127-E.
- Leggett, B. “Profile of a Negotiator: Lyndon Johnson” (2008). DPO-128-E.
- Leggett, B. “Profile of an Orator: John F. Kennedy” (2007). DPO-103-E.
- Leggett, B. “Profile of a Forensic Speaker: Margaret Thatcher” (2007). DPO-109-E.