TREAT RELATIONSHIPS LIKE AN ASSET
OR THEY'LL BECOME A LIABILITY

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For close to thirty years now, I've advised and studied leaders and teams across sectors and geographies to see if I could figure out the answer to two questions: Why do some leaders build teams strong enough to sustain stellar performance, while others drive them into an abyss of dysfunction? Why do some teams turn differences into divides, while others use them to conquer their toughest challenges?

Over the years, I've grown convinced that relationships are the missing piece to the puzzle. In today's hypercompetitive, interdependent world, relationships are no longer feel good-stuff, nice to have but not really critical to performance. They are a strategic asset leaders and teams squander at their own risk. Four discoveries along the way convinced me. Let me tell you about each.

1. Teams aren't simply a group of individuals; they're a web of relationships. Fifteen years ago, I happened upon my first discovery the hard way: through a failed attempt to improve the performance of a team leading a well-known, highly regarded but struggling manufacturing company I'll call Elite. Despite the team's best efforts and my own, the team got caught in a series of point-counterpoint debates that prevented them from turning around the firm's performance fast enough. In the end, the board felt they had no choice but to fire the CEO and half his team.

What happened at this company is not at all rare. A recent Booz Allen Hamilton study of the world's 2,500 largest publicly traded corporations reports record-high turnover among executives as "the new normal." Forced turnover among CEOs rose 318% since 1995. In 2006, one out of every three CEOs left involuntarily; nearly a quarter of the forced departures followed from conflicts with the board—up from only 2% in 1995. Shareholders, of course, end up footing the bill.

These statistics reflect at a macro level a pervasive pattern of trouble at a human level. The inability of top teams to make something good come of conflict is killing the performance of firms. Worse, the above statistics suggest that we're not solving the problem fast enough; if anything, we're losing the battle. Why?

Because we keep looking for solutions in all the wrong places. We get rid of the CEO; we teach leaders "people skills"; or we develop the self-awareness and emotional intelligence of team members. But the problem—and therefore the solution—doesn't lie in individuals alone, not even in the CEO. The buck may stop there, but the problem doesn't start there. It starts and ends in the relationships people within a team create with one another.

After my failed experience at Elite, I went back and studied thousands of pages of meeting transcripts to see what went wrong. All of a sudden it hit me: "It's the relationship, stupid!" Relationships within the team were bringing out the worst in everyone, entrapping them in a waiting game where each person was waiting for some one else to change before changing himself. With no one willing to make the first move, no one felt able to make the changes they needed to succeed.

Observations like these made me wonder whether relationships might be shaping individual behavior at least as much as individual behavior was shaping relationships. Perhaps we might get farther faster, I went on to speculate, if we shifted our attention away from individuals and onto the relationships they together create. That's when I made my second discovery.

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2. Like people, relationships develop their own distinct character. As soon as I focused on relationships as a "unit of analysis" in their own right, I could see that every relationship has its own distinct character: the dominating boss/submissive subordinate; the two rivals jockeying for position; or to use a sexist example, the nagging wife/withdrawn husband. We all recognize the character of a relationship, at least intuitively, but we lack the proper tools to analyze or change it.

That's why over the past 15 years I've worked hard to develop and test out tools that help people map and alter the patterns of interaction that define a relationship. One tool, called the Anatomy Framework, is proving especially useful, because it helps people see how everyone is unwittingly contributing to patterns no one likes. This not only interrupts the waiting game, where each person is waiting for someone else to change, it suggests what everyone can do to alter any patterns undermining their success.

By applying the framework myself, I came to see more clearly how different relationships worked—or failed to work, which brings me to my third discovery.

3. Relationships have the power to make or break the success of leaders and their enterprises. Over the years, in more or less tactful or subtle ways, various people have said to me, "Sure, it's great to have good relationships, but are they really critical to achieving our mission?"

Well, if Larry Summers or Donald Rumsfeld learned anything a couple years ago, I think they'd say so. In 2006, both leaders were forced to resign—their missions in shambles and their reputations in the gutter—in no small part due to their inability to forge strong relationships with people critical to the success of their missions.

Compare these two leaders with Abraham Lincoln, a leader with enormous intuitive capacity for building relationships that turned even adversaries into allies. As Doris Kearns Goodwin recounts in *A Team of Rivals*, as soon as Lincoln became President, he appointed his four most powerful, talented rivals to his cabinet, then built relationships with each one of them that gave him the emotional and political strength he needed to lead a nation through a civil war and eventually win the peace.

Countless examples like these have convinced me that relationships have the power to create or to destroy enormous amounts of human, social, and economic capital. And this brings me to my fourth discovery.

4. Some relationships grow stronger, others weaker. Some relationships, like that between Franklin Roosevelt and Winston Churchill, grow stronger over time. Despite fundamental differences in political interests, beliefs, and personalities, they forged what Jon Meacham called in *Franklin and Winston* an "epic friendship." As Meacham noted: "For all the tensions [they] faced—and there were many—there was a personal bond at work that though often tested, held them together."

Other relationships, like the one between Steve Jobs and John Sculley at Apple in the 1980s, grow weaker over time. As I recount in *Divide or Conquer*, the two leaders went from the perfect match to mortal enemies in two short years, destroying their relationship and sending Jobs into exile and the firm into economic decline for 12 years.

So why the difference? Why do some relationships grow stronger and others weaker over time? Most people chalk it up to a chemistry too mysterious to decode and too difficult to change. But I'm finding it's highly predictable and susceptible to change. While several factors combine to determine the fate of a relationship, the most important one is the perspective people take to their substantive differences and to the relationship troubles those differences so often spark.

Some leaders I studied take what I call an either/or perspective. They assume that one or the other of them is either totally right or totally wrong. It doesn't occur to either of them that their different interests, values, and beliefs might be leading each of them to see things the other misses—important things, things that need to be factored into their decision making. But they don't. Instead, they get caught in those point-counterpoint debates that trapped the top team at Elite and prevented them from moving fast enough. Worse, as more time passes, each grows more frustrated and

more convinced that the other is to blame. Indeed, they assume that the other is either mad (distorting reality, irrational) or bad (immoral, only protecting his narrow self-interest).

Unsurprisingly, this perspective puts people at such odds that it brings out the worst in both of them, escalates the conflict, and puts so much pressure on the relationship that it makes any differences too much to bear.

Other leaders I studied take what I call a relational perspective. They assume that each sees things the other misses, and they look for the sense—not the nonsense—in what the other says. As a result, when they get frustrated, they assume they're each unwittingly contributing to results neither of them likes, and they work together to find a solution. This perspective looks for and brings out the best in people, makes it easier to resolve substantive disagreements, and strengthens relationships over time.

You can see this perspective at work in how leaders like Lincoln, Churchill, and Roosevelt approached their differences and any relationship troubles they faced. As Meachum said of Winston and Franklin, and I would say of those leaders I've studied who lead through relationships rather than command and control: they keep both the mission and the relationship in mind at all times. They view key relationships as a strategic asset. And so they give them the same strategic attention they give to every other aspect of their mission; and they make sure those few key relationships are strong enough to master the pressures and conflicts they'll face.

Leading through Relationships™

Few leaders today can simply impose their will and expect people to pledge their allegiance. In most organizations, mutual influence is fast supplanting unilateral control, putting a premium on a leader's ability to lead effectively through his or her relationships. Unless leaders invest in relationships like the strategic asset they are, all too often they become a liability, sometimes a deadly one.

That's why I wrote *Divide or Conquer*: to give leaders the tools they need to cultivate their most important relationships, so they're strong enough to withstand today's intense competitive pressures, turbulent changes, and inevitable conflicts.

About the Author:

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