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# PART I



# A NEW VISION OF AUTHENTICITY

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# THE DIGITAL ERA OF FREEDOM AND FEAR

*In effect, managing one's self demands that each knowledge worker think and behave like a chief executive officer. Furthermore, the shift from manual workers who do as they are told to knowledge workers who have to manage themselves profoundly challenges the social structure. Every existing society, even the most individualistic one, takes two things for granted, if only subconsciously; that organizations outlive workers and most people stay put. But today, the opposite is true. Knowledge workers outlive organizations and they are mobile. The need to manage oneself is therefore creating a revolution in human affairs.<sup>1</sup>*

—Peter Drucker

**E**xcelling at leading a business is an amazing gift. We have lost sight of the enormous contribution made by the vast majority of people who lead organizations that produce goods or services. I have always been amazed by the extraordinary talents of my clients.

Laughingly, I call them all action addicts. Truly authentic leaders are people who know how to make sure the stuff that really matters gets done and raise the performance of thousands of people (including themselves) to a higher standard through their presence, impact, and well-chosen actions.

I've learned from some of the best. What have I learned? Finding the balance between being yourself and relating effectively within a demanding context is not easy. Successful organizations are social systems with tremendous pressures toward specific behaviors that have led to the organization's success in the past.<sup>2</sup> "Just be who you are and live your values" sounds deceptively simple. Leaders must pay attention, adjust, and adapt to complex situations both inside the organization and in the marketplace or they will not be leaders for long. Finding the balance between being your true self and adapting to the cacophony of pressures is a complex, very personal equation. Platitudes are just not enough.

We live in a time of intense pressure to produce quarterly earnings amid constant, unpredictable market forces. For every glitzy empty suit that you've seen on television being carted away for fraud or exiled for a golden office toilet, I have had the privilege of working closely with at least 20 other talented executives. The less glitzy ones that you do not see on television are struggling to embody their values, lead toward the common good, and deliver economic results in an incredibly turbulent global marketplace. This book is an invitation to join the struggle and become one of "them" in a good way.



### THE CALL TO AUTHENTICITY

We are all leaders and we are all followers in this digital era. Things have changed a lot during the first 15 years in this new century. In 1999, Peter Drucker, the sage of the business world, predicted that we would all need to learn to manage ourselves like Da Vinci, Mozart, and Napoleon.

The truth is that we all need to learn to lead ourselves and answer the call to be authentic. The essence of authenticity is being yourself fully.

It requires courage. Being an authentic leader is not just about making the right ethical decision when the heat is on. It is primarily about doing the work every day to bring your best self forward into the world so that you are in shape when the heat is on and the pressure is high. Being authentic is just like being in shape physically. It is a daily decision and there is no substitute for doing the work. This book serves as a guidebook for those who want to do the work.

Why does authenticity matter now? How is authentic leadership different from leadership—or the lack thereof we hear so much about? We live in an era in which fear is a huge force, and we hear about it all the time due to our unprecedented ability to communicate incessantly. The situational press of fear, negativity, and cynicism is deafening. The World Economic Forum lists deepening income disparities, persistent structural unemployment, diminishing confidence in economic policies, and a lack of leadership as part of its top 10 global trends for the year 2015.

We're not living in easy times, but when have they ever been easy? The challenges are just different. One hundred years ago in 1915, the Great War was raging. Unlike in 1915, blending in below the radar with a predictable job may not be possible today.



### ON BECOMING MORE AUTHENTIC

Becoming more authentic may be a key to reaching your external dreams and achieving internal well-being. People who have something unique to say and are willing to step up and say it are increasingly finding success. Many would not have predicted the election of Barack Obama in 2008. Obama used his personal story and the facts of his biography in an inspired, authentic manner. The electorate responded. Obama's message of personal authenticity resonated deeply with the younger demographic. Regardless of your opinion regarding Obama's results as president, his story is indicative of someone who led himself and chose his own path. Choosing your own path with an understanding of external forces is at the heart of psychological authenticity. The vast majority of people may never choose to lead themselves and be

authentic. But a percentage of people in every generation do choose the path.

Authenticity is not a new idea. Historically, being authentic generally meant being true to yourself. Being genuine or real. It has generally been accepted across philosophical traditions and cultures to be a state to which one aspires. It is assumed that being authentic is a good thing. It's likely that when you describe someone as "authentic," you admire them.

The drive toward being genuine or real also appears to be innate. We first experience the awareness that we are being real or being fake in early adolescence. Research by developmental psychologist Susan Harter clarifies that adolescents report negative psychological states associated with being fake and prefer to be themselves.<sup>3</sup>

So why does authenticity really matter now? Perhaps it is adaptive in the external environment to be authentic for the first time. To be sure, the forces toward conformity that are part of the human condition still exist. However, the opportunities for jobs in which you just do the same thing every day are going away. The Industrial Era was a time of great opportunity and a level of financial security if you were willing to consistently work hard at basically the same thing every day. Our current world places little value on rote tasks that can be easily accomplished through the use of technology. You are more likely to be successful in the world of work and leadership by being authentic as it is defined in this book than by blending in and going along with the crowd.

The drive toward authenticity requires you—like Mozart, Da Vinci, and Napoleon—to think for yourself. It requires you to do the hard work of figuring out what you really, really want to do. You must dig in and notice your passions, your strengths, your shortcomings, and relentlessly pursue opportunities.

Success will go to the people who know how to work with other people in order to get difficult and important things done. The level of psychological sophistication and depth required to connect, relate, and achieve in partnership with others has escalated in the last 15 years. Due to flatter organizations, we no longer have role authority to rely on—role authority meaning the assumption that people will just do what we say. Having or nurturing new ideas, collaborating to win, and figuring out how to do what no one else has figured out how to do yet are the

winning strategies in this new world. Cultivating authenticity and tuning into yourself in your world at a deeper level are required to accomplish such lofty goals on a daily basis.

People across the world can access your social media posts—and you can access theirs. The notion of privacy seems more of a fantasy than a reality. Anyone anywhere can capture your worst moments of any day on a video or a photo. But you can also use those same tools to craft relationships and learn in ways that were unthinkable just a few years ago.

Cultivating authenticity is the key to flourishing in our current era of freedom and fear. The authentic are brave enough to be themselves despite all of the fear within as well as all of the fear in the atmosphere.

To be sure, being authentic sounds really trite as an answer to the compelling workplace dilemmas of today. Just be yourself. Know yourself. Haven't we all heard this before in one form or another? But what if truly being yourself is much easier to say than to actually do? What if truly being yourself requires particular focused work, unusual idiosyncratic discipline, and keen powers of self-observation? What if authenticity is the key to flourishing in this digital era of freedom and fear?

The idea of authenticity can be traced back to ancient Greek philosophy with often-repeated phrases such as *know thyself*. However, there is no coherent, consistent or well-organized body of knowledge on authenticity. The knowledge base on authenticity is more like unconnected islands that address the concept in a fragmented fashion.

This text will connect the islands of knowledge on authenticity in the psychological literature and the practice-oriented leadership literature from the world of business. Advances in the last 15 years in the world of scientific psychology have made it clear that being authentic and being an authentic leader are not just one thing. Authentic leadership in psychological terms consists of multiple, interrelated, complex skills and ways of making sense of the world. From the pragmatic, business-practice-oriented leadership literature, authors Bill George, Gareth Jones, and Rob Goffee have challenged leaders to ask themselves tough questions. George focused on values by challenging leaders to find their *True North*.<sup>4</sup> Jones and Goffee have asked thousands of leaders *Why Should Anyone Be Led By You?*<sup>5</sup>

In the modern workplace and in casual conversations, we are much more comfortable discussing the person who's perceived as a fake. Listen carefully to conversations and you will notice the notion of authenticity mostly discussed in the context of who *lacks it*.

What you probably haven't heard is someone pondering their *own* authenticity—or lack thereof. When was the last time you heard someone admit they behaved like a fake to get something they wanted? Have you ever heard an adult say “I'm struggling to be more authentic”? It doesn't happen often.

What exactly does it mean to be authentic in psychological terms? What have we learned in the last 15 years? Far from letting it all hang out and just being yourself, the notion of being authentic that is becoming clearer consists of at least four interrelated variables: “selves” awareness, unbiased processing, appropriate transparency, and concordance between behavior and values. Each of these ideas is fully explained in this book, and exercises are presented to help you develop each of the big four skills that comprise authenticity in psychological terms.

Each of the big four skills requires a depth of understanding about the environment, or as we psychologists like to say, the context. Warren Bennis defined leaders as people who master the context as opposed to being mastered by their context. Understanding and feeling the pressure of a situation is a fact of life, but allowing the situation to determine who you are and how you will respond is a choice. Strong situational pressures are always present, and leaders find ways to use the strong forces of their particular time and situation. What is it that is unique about this moment in history?



### THE PARTICULAR CHALLENGES OF NOW AND HOW DID WE GET HERE?

History's great achievers—a Napoleon, a Da Vinci, a Mozart—have always managed themselves. That, in large measure, is what makes them great achievers. Now, most of us, even those of us with modest endowments, will have to learn to manage ourselves.

—Peter Drucker, *HBR*, 1999<sup>6</sup>



It was October of 1999. I was 34 four years old. I was a management consultant at a global psychologically based consulting firm. I had just settled into seat 10E on my flight to Minneapolis when I read the words above from Drucker's now classic article titled "Managing Oneself." I was flying to Minneapolis to work with my largest client, Best Buy Corp.

It was the era of the big-box retailer. Consumer electronics was hot. New gadgets were flying off the shelf, and Best Buy's stock was flying high. The very air smelled like opportunity, and dot-coms were promising prosperity without end. What did Drucker mean when he said that people of average ability would have to manage themselves like Mozart or Napoleon? It appeared to me that plenty of people with modest endowments or average abilities were making plenty of money following pretty obvious paths. Since I'd been recently promoted to senior consultant in my firm, I considered myself to be among them.

I literally highlighted several paragraphs of Drucker's eloquent prose (there was no iPad then), thinking how useful the ideas would be in the leadership development work that I was doing at Best Buy. I would sound very cutting edge and smart quoting Peter Drucker. All of my clients would have heard the name and have a vague sense that he was important.

I read deeper. Drucker was saying that we all should be able to answer the following five questions in really practical terms:

- What are my strengths?
- How do I work best?
- What are my values?
- Where do I belong?
- What can I contribute?<sup>8</sup>

Drucker envisioned a world in which average knowledge workers knew their strengths and weaknesses, in which kinds of situations they could contribute the most, and deeply understood both their own values and the values of the organization in which they worked. With this insight, workers could then determine how to contribute the most.

It was essentially up to the workers to figure all this out, as managers of the future would no longer be spelling all this out with their job descriptions and management by objectives. The critical-thinking psychologist within me thought, *There is no way that the vast majority of people will be able to chart their own course and manage themselves.* Everything we know about human behavior clearly points out the power of conformity, role, and structure. The vast majority of people simply want to blend in, find a good job, and follow a predictable, stable path. A rather dark view but nonetheless data driven.

The view in 1999 was bright, and looking back we had no clue what was coming with the advent of the new millennium. The Industrial Revolution had created opportunities particularly in the manufacturing sector in the last half of the twentieth century. During that time period an average person could earn financial security by conforming and doing as one was told. One could get a job in manufacturing at General Motors or Ford, afford to send the kids to college, and receive a great pension. It appeared that each generation was going to be more upwardly mobile than the last. The post-World War II boom brought many happy days, and the United States rose to both unparalleled economic prosperity and power on the world stage.

Fast-forward 15 years from seat 10E on that flight to Minneapolis and I have been an entrepreneur inventing and managing myself and my brand for 12 years. I personally have been on at least three different paths in the last 15 years, none of which turned into a predictable one with a cozy retirement package. The predictable, smooth path that I had imagined on that flight has not been my reality for the last 15 years.

Within the last 15 years in the broader world, we have been through the tragedy of 9/11, countless corporate ethical debacles including Enron, a real estate market collapse, the meltdown of the financial markets in 2008, a stubbornly high unemployment rate in the United States, skyrocketing youth unemployment in parts of Europe, the longest war in American history, globalization including the rise of India and China as forces to be reckoned with on the world and economic stages, and unprecedented technological developments. These changes and developments at the macro level have implications for all of us as individuals and the ways in which we need to think about developing ourselves.



## THE DAWN OF THE DIGITAL AGE

If you listen to the news, you have likely heard that we are in the midst of what the vast majority of pundits call the Digital Age. Since the year 2000, the workplace has been shaped by six major forces. There are others, but these six have affected the workplace in tangible, easily observable ways that I notice every day. The top six are:

1. The smartphone
2. Rise of social media
3. Pace of change in the markets
4. Flattening of hierarchy
5. Generational shifts
6. Layoffs and downsizing

Who knows when we truly entered the Digital Age? However, the importance of the first item—the smartphone—in changing our culture is not debatable. Do you remember where you were when you first saw the iPhone? Or where you worked when you really started to want one? For me, it was a hot April day in 2007 in the great state of Texas. It was the last day of a long week of corporate training at the Southern Methodist University Business School. AT&T was launching its signature management training program that week titled T University.

I was serving as an executive coach facilitating teams during business simulations and helping people figure out what they needed to work on as a leader. In Drucker's terms, my job was to help people figure out how to leverage their strengths, be clear about their values, and figure out how they could best contribute.

The room was quiet. The new CEO, Randall Stephenson, was about to speak to the class. Randall is tall and has a commanding presence, but he took the room by simply holding up his new iPhone and saying that the small device was the key to growth in the new AT&T near term. He painted a picture of a world in which accessing

the Internet from your phone was going to be more frequent than from your computer. Believe it or not, it sounded far-fetched at the time. Now the smartphone is ubiquitous, and it has literally changed the world and the workplace.

Randall also mentioned an app I had not heard of before that day that his daughter was using. The app was called Facebook. The social media revolution was upon us. Our social media profiles are part of who we are these days. Few of us are very far from our smartphones and we can, of course, friend, link in, and tweet from our smartphone.

Along with instant communication and information, it seems that markets are in a constant state of flux. Samsung came on strong and has given Apple serious competition in the smartphone arena within the last five years. Canadian company Research in Motion, now named BlackBerry Ltd., is hanging on by a thread. Remember the BlackBerry? Most leaders have become accustomed to the fact that markets appear, change, and disappear overnight. Leaders must struggle to see around the corners for their very survival.

The pace of change is intense and the price of not seeing the next big change coming can be severe. For example, on November 10, 2008, Circuit City stores, Inc. filed for bankruptcy. Walmart and other competitors, many of them Internet-based, had been gaining market share for the previous several years. According to the press, the era of the big-box retailer was officially over. Just a few years earlier, Circuit City had been widely touted as one of the best American companies by a respected academic from Stanford named Jim Collins. His canonical work *Good to Great*<sup>7</sup> was published in 2001. Circuit City figured prominently in the pages of Jim Collins' book as a shining example of a company that had gone from good to great. In less than 10 years, Circuit City had gone from good to great to gone.

Middle management barely exists anymore. Large organizations are a lot flatter. In a world in which everyone has access to information, you do not need the middle management layer to pass on the instructions and wisdom from the top of the hierarchy. Zappos says it no longer needs hierarchy. Google has rotating leadership based on projects.

Decisions are increasingly made in the context of teams that form quickly for the purpose of understanding or resolving an issue, and then

dissolve. Effective leaders take initiative and bring the right people together to tackle specific issues. Amy Edmondson of the Harvard Business School refers to this process as “teaming” and presents a model in which people actively “team” with others all the time vs. serving on a permanent team.<sup>8</sup>

I have a conversation at least once a week with at least one client in a large organization who says, “I do not know how much more I can do with how much less.” Layoffs, downsizing, and reductions in force (RIFs) were a part of the news every day for a five-year period between 2008 and 2013. No one was immune. Every company large and small was forced to cut fixed costs in order to stay competitive. People are a big cost. Technology also replaced repetitive jobs at a breathtaking speed.

Finally, generational shifts are clear and present in the current workplace. Authors Ron Zemke, Claire Raines, and Bob Filipczak describe the workplace as the clash of boomers, Gen Xers, and Gen Yers.<sup>9</sup> Gen Xers were born between 1965 and 1980. Generation Y, more commonly referred to as the millennial generation, is often described as being born between 1981 and 2000. The baby boomers, born between 1946 and 1964, are aging and staying in the workforce longer than any previous generation. There are different opinions out there about which year started which generation. However, the reality is that it is possible to have people between the ages of 25 and 60 collaborating and teaming up to tackle a problem. You can't assume that the 60-year-old is the boss. There may not be a boss; and the older, more experienced person may not be the best person for the leadership role. It is not unusual to be reporting to someone younger than you in some capacity. The digital natives, born around the year 2001, are coming next.

It is a brave, new, complicated terrain from a human interaction perspective. It is not so easy to understand exactly where everyone fits, when the right time to retire is, or if you will ever retire.

Facebook stock traded at \$81.00 per share and Mark Zuckerberg was 15 years old when I was on that plane to Minneapolis in 1999. Today, Apple Inc. is the largest, most profitable company in the world. In 1999, General Motors topped the list of the Fortune 500. In 2009, GM declared bankruptcy and needed a government bailout to survive.



## DIGITAL ERA = FEAR + FREEDOM

The Digital Era is here in full force, and we would all do well to stop looking for a predictable path. Those who desire to lead and be authentic must chart their own course. Drucker was right, and so was I. Drucker was right in that we all need to learn to manage ourselves like Mozart and Da Vinci. I was right in that the forces of human nature toward conformity and playing it safe are strong. Many people are struggling to find their way in this ambiguous new world. Managing ourselves is not enough. We must learn to lead ourselves and have the courage to be authentic. The idea of authenticity is in the zeitgeist as people use the word to describe everything from a voice to the experience of buying a car. Marketing researchers James Gilmore and Joseph Pine<sup>10</sup> tell us that authenticity is what consumers really want.

Many of us have more freedom than ever in the developed world. However, it is not so easy to have the courage to speak up and be true to yourself. It can feel as if your job could be at risk at almost any time as we have all watched highly talented, qualified people be downsized due to harsh economic conditions and unforeseen crises. This relatively new twenty-first century has turned into the Digital Era of Freedom and Fear. The fear that people feel in the workforce is so strong that sometimes it is hard to see the freedom. Everyone can remember where they were on September 11, 2001. The United States was attacked, which seemed unthinkable at the time. Afterward, we all believed another attack on American soil was imminent. The terrorist attack of 9/11 took a toll on our economy both literally and psychologically. We no longer felt invulnerable. The real estate and subprime mortgage mess followed. Lehman Brothers failed. If you were not laid off during all the downsizing of the last 15 years, someone close to you was.

I remember walking through Gramercy Park in New York and wondering if Morgan Stanley, one of the most venerable American financial institutions, was going down next. General Motors had to be bailed out from a near-death experience. All industries, from manufacturing to travel to distribution, have leveraged synergy. RIFs, or reductions in force, became a routine part of the news. Every major company in the United States cut the payroll line.

At the same time, we have experienced technological miracles that have changed our lives for the better. I can listen to music by all of the greatest artists in the world on a small device. I can connect with people all over the world via the Internet. Technology has continued to take over routine and repetitive tasks from the manufacturing floor to the trading floor. I can now check in at the airport and order a fast-food meal without ever interacting with a human being. The pace of this technological revolution is not slowing down. The freedom that this digital era offers is unprecedented, but people have to wonder—where and how can I add value?



### RESPONDING TO THE CHALLENGES OF FREEDOM AND FEAR

It has been a hell of a start to the twenty-first century. Major big-picture events like 9/11, the banking crisis, and the housing crisis have damaged our collective optimism and sense of boundless freedom and opportunity. However, some people are seeing through the fear fog and seizing the day. All of us feel the fear, but the twenty-first century also offers freedom.

It is hard for the average human to see and experience that possibility and freedom. Barbara Frederickson has pointed out that when it comes to experiencing emotions, we have a negativity bias.<sup>11</sup> Particularly in threatening situations like being laid off, the emotion of fear sounds like a smoke alarm, whereas more positive emotions that might allow us to see the possibilities available to us with the newfound freedom to work wherever and whenever we want might be like soft background music.

The freedom and the potential for self-expression are both unprecedented and scary as hell. One no longer needs to sit in the office to work. We all have mobile devices that can connect us 24/7. We are free to be wherever we need to be. We can also take online courses from some of the world's best professors at leading universities. Launching a website that puts the word out that you are starting a business can be achieved in a single morning. You can take credit card payments from your iPhone with an app. It is easier than ever to start a business from an operational viewpoint. Resources are plentiful to get the basic functions covered.

Drucker predicted that we would all need to manage ourselves like Mozart, Napoleon, and Da Vinci. What exactly did Mozart, Napoleon, and Da Vinci do that we all need to be doing? Napoleon Bonaparte led France in its glory days and it is well known that he was 5'6" and rarely looked to the precedent of the past to decide what to do militarily. If you are trained at West Point today, you will study Napoleon, as well as other strategic precedents. Wolfgang Amadeus Mozart left a stable job with the archbishop in the late 1700s to freelance as a composer so he could do the work that he wanted to do in his own way. Leonardo da Vinci is well known as an artist. However, his imagination was boundless. He did not settle and just paint, though he was very good at it. He followed his curiosity into multiple fields and continued designing and dreaming up potential breakthroughs that were not nearly so practical in his day as his art. All three luminaries left multiple stable jobs! All three followed a drive to be authentic, to be themselves, even when it cost them.



### THE WORKOUTS

- Six strong forces have emerged in the workplace during the last 15 years. Which one has affected you the most and why? Which one has affected you the least and why?
  1. The smartphone
  2. Rise of social media
  3. Pace of change in the markets
  4. Flattening of hierarchy
  5. Generational shifts
  6. Layoffs and downsizing
- Write a paragraph about the last great day you had at work. Not a good day but a *great* day. Then figure out what was unique about that day as opposed to an ordinary day. You are likely to find clues in your paragraph about your strengths. Remember Drucker's admonition to know your strengths.



- The Greek root of the word *authentic* is *author*. On a practical level, being authentic means that you are the author of your own life. The notion of being self-authoring, editing, and publishing is possible in this era in a literal way as well as a metaphorical way. Psychologist Laura King (2001) has found that people are likely to experience positive psychological states as a response to the exercise below.<sup>12</sup> I use the exercise with the vast majority of my executive coaching clients and have discovered that each individual often gets something different out of the exercise. What will you learn as a result of the four-day experiment below?

### BEST POSSIBLE SELVES EXERCISE (LAURA KING, 2001):

- Schedule 20-minute blocks of time on four consecutive days. Go to a place where you are not going to be interrupted for 20 minutes.
- Get paper and a pen. It is important that you write instead of type.
- Keep writing for 20 minutes each of the four days. Do not edit your pages.
- Keep your pages each day in a file.
- The prompt that you will respond to each day is as follows:  
Think about yourself in the future. Imagine that everything has gone as well as it possibly could. Think of this as a realization of your life dreams. Now write about what you imagined.
- Keep the notes from every day. On the fifth day, look at all of your writing in aggregate. What jumps out at you? What themes do you notice?
- Discuss with a trusted friend or colleague.