



Leadership without ego

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An American diplomat says to a French diplomat, “You know, we have invented this new approach and it’s really great: it works in practice.”

“Yes, says the French diplomat, but does it work in theory?”

Why did I tell you this joke? Because as academics, we always look for a theory, a model. I have personally researched over the last 20 years over 300 companies seeking this ideal organizational model, which liberates their people’s initiative and potential.

The bad news is I could not find a theory—and for someone coming from France that hurts.

But the good news is that I did find a lot of practice that works: A lot of real companies that have really transformed themselves and have truly liberated their people’s initiative and potential.

All of these companies did it in different ways but they all began their transformation with one common step, which is easy to say and very hard to do: the company’s Chief Executive let go of her ego. *Corporate liberation can only begin when the Chief Executive lets go of her ego.*

What does this mean? Let me share two cases from leaders whom I have studied and who have successfully transformed their companies. Here’s the first one.

Radica Games—a world leading electronic toy manufacturer traded on the New York Stock Exchange—was building its new factory in China. One rainy day, its CEO, Bob Davids walked by an open ditch

where the sewer pipe was being laid—with no slope, so the sewage wouldn't flow. Davids took off his shoes, jumped into the mud, and laid two sections of pipe demonstrating the workers how to slope it. He then watched them correctly lay two more sections. Then he left. The Chinese managers were shocked but that episode quickly spread throughout the whole company and turned Davids into a leader his Chinese employees trusted.

My message is not that Chief Executives have to get their feet muddy. My message is this: *Leadership is not a position assigned by your superiors but a role granted by your people when they choose to follow you.*

Why is it so important? Here's a story I love from a leading European auto parts supplier FAVI in the 1980s.

One late evening, Christine, was cleaning her Chief Executive's office when the phone rang. The cleaner picked it up. The caller apologized for not warning about the late arrival and said FAVI's CEO was due to pick him up. Since there was nobody around, Christine took the keys to one of the company cars, drove to the airport, and brought the visitor to his hotel. She then came back and finished her cleaning. She didn't tell anyone. She did what she believed is right. And it's great she did. The visitor was a quality auditor from Fiat, and he was so impressed that he raised FAVI's rating by 10%.

Wouldn't you like to have people like Christine in your company? But, of course, in most companies, a night cleaner would not answer a call to the boss, have the keys to company cars available to her, or dare to leave without permission. In FAVI, the most important person is not the CEO, but the one facing a challenge.

Christine surpassed herself—but she wasn't thanked for it, because in FAVI, taking great initiatives is expected. Yet, in most companies, the excessive ego of some prevents the self-surpassing of all. Therefore,

it is for the Chief Executive to start letting go of her ego if she seeks to unlock her people's potential.

This worked with FAVI, which operates as a liberated company since 1983, and some companies like W.L. Gore—the manufacturer of Gore-Tex—or Quad/Graphics—the world's second largest printing company—have been liberated for even longer. So no, liberated companies are not a fad that will be replaced by something new. It is perhaps, the longest living type of organizational form and business philosophy embodying McGregor's "Theory Y". And liberated companies are not anarchies either. As Lord Acton said already in the 19th century, "Liberty is not the power of doing what we like, but the right of being able to do what we ought." Just like Christine did in FAVI.

But can any company become liberated? In fact, it's the wrong question. The right question is whether any company's leader can let go of her ego and become a liberating leader. I have never seen a successful corporate liberation without the leader's personal transformation. True, some CEOs I have studied did not need to transform themselves: they did not have an ego to begin with. Most CEOs though needed several months of executive coaching. Then, a few needed a psychoanalyst. I had to tell this one as we are in Vienna after all.

Once the leader transformed herself, she will naturally treat her people as adults. Yet, in most companies, this is not natural.

In Latin, *infans* means a child not having the ability to speak. Because many higher ups believe they are the most intelligent people in the organization, they never ask for their employees' ideas thus treating them like infants. Treat your employees like the adults they are and give them the freedom they crave. Only then—together with your people—you will be able to co-create a new version of your company where people go because they want to, not because they have

to, and where instead of doing just 9-to-5 they do their absolute best to realize your company's vision.

So here is my message: *The true measure of leadership is in its redundancy.* So lose your ego and gain engaged, passionate people, gain a thriving business, make the world a better place.

It's a very simple theory, but it works in practice, time and time again—and after all, that is the true test of any theory.

If I come back to my diplomats, the French diplomat may be surprised to see so many liberated, thriving companies in France. He would then promptly explain that it is normal for the country built on a theory of *Liberté, Egalité, Fraternité.*

To which the American counterpart would react: “If it works there, it can work anywhere.”

And it does.

All over the world, leaders without ego—together with people—have liberated hundreds of companies, and many more companies and public service institutions are joining the movement.