

THE CYCLE OF LEADERSHIP

HOW GREAT LEADERS TEACH
THEIR COMPANIES TO WIN

NOEL M. TICHY
WITH NANCY CARDWELL

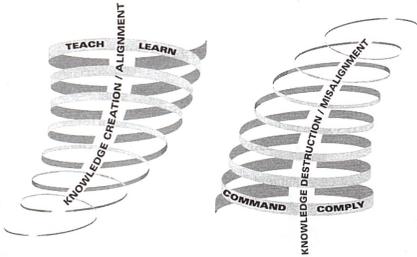
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“Winning organizations are teaching organizations.”

In *The Cycle of Leadership*, Noel Tichy argues that in the “knowledge economy” organizations with “virtuous teaching cycles” are superior performers. Reasoning in a manner reminiscent of Arie de Geus (*The Living Company*), Tichy holds that in the new competitive environment intangible assets have replaced physical assets as the primary means through which value is created. “In this environment”, he observes, “the key to winning is a leader’s ability to raise the collective intelligence of [the] team and to keep its members aligned, energized, and working to please the customer.” And, in order “...to keep creating new value for customers [i.e., in order to keep pleasing them] team members must get smarter every day.” Winning in this competitive environment requires that a firm be populated by leaders with teachable points of view (TPOV) at every level, that it develop a “virtuous teaching cycle”, and that it



embrace that cycle as central to its character. If queried, I suspect Professor Tichy would hold that the “virtuous teaching cycle” is the single most essential element to winning as through it leadership skills are taught (and thus leaders are built) across the organization while, simultaneously, TPOV are developed, refined and modified, and knowledge is organized, exchanged, and created. A virtuous teaching cycle, in other words, not only develops leaders, it makes the organization and every member of it, including the organization’s senior leadership, smarter.

VIRTUOUS TEACHING CYCLE	VISCIOUS NON-TEACHING CYCLE
Leadership at all levels	Leadership top down
Teach and interact	Command and control
Open communication	Defensive communication
Teamwork	Passive-aggressive behavior
Grows self-confidence	Reduces self-confidence
TPOV's at all levels	Rigid top down TPOV
Collective knowledge at all levels	All intelligence assumed to be at the top
Everyone's brain counts	Brains of the masses checked at the door when work starts
Organizational knowledge grows	Organizational knowledge is depleted
Positive emotional energy grows	Emotional energy sucked out of the organization
Boundaryless	Boundary-ful and turf oriented
Mutual respect	Fear of boss
Diversity valued	Homogeneity of thought

Professor Tichy discusses virtuous teaching cycles both conceptually and with reference to an array of companies, most notable among them, G.E., YUM! Brands and Trilogy. Fortunately, he also provides a diagram which succinctly outlines the attributes of the virtuous teaching cycle in a “teaching organization” in contrast to the manner in which a command and control organization attempts to create and manage knowledge.

“[T]he practice, systems, policies and mindsets that won in the old industrial economy will not do the job...” in the knowledge economy, Tichy, like de Geus, admonishes us. *“The old style, command and control leader is a dinosaur rapidly going into extinction. The successful leaders of the future will*

be much more self-confident. They will have the courage and the intellectual and emotional strength to continue to grow and learn.”
... [C]ommand and control is generally an ineffective way to manage...it doesn't generate the excitement or energy needed to win.”

At all levels today, leaders of winning organizations must lead through teaching while simultaneously learning from those whom they teach; such is Noel Tichy’s message. But, I think I’d take it one step further and argue that for an organization to win consistently in today’s complex and competitive environment, we must each, at times, be followers rather than leaders while simultaneously being both teachers and students.

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