How "Level 5" Leaders Transform Aging Services

by Michele Holleran

Good to Great:

In his best-selling book, *Good to Great*, Jim Collins includes "level 5" leaders among the major elements in the success of organizations that move themselves from being merely "good" to truly "great." *FutureAge* looks at three level 5 leaders and how they are taking their aging services organizations to new heights.

Kathryn Roberts took over the reins at Ecumen, the largest not-for-profit provider in Minnesota, in January 2003, and things have never been the same at the Twin Cities-based provider of senior housing and services.

Since that time, there have been many innovations like the Gourmet Apron, a catering service run out of Ecumen's Mankato Lutheran Home; Long-Term Care Connections, a three-year education program that prepares CNAs to become LPNs; and Angel Care, a holistic approach to helping residents and families deal with the death of loved ones.

Roberts is known as a transformational change agent, a reputation that began when she worked as head of the State of Minnesota's internal organizational development office, and later when she became the first woman to lead a major U.S. zoo. Her efforts at Ecumen, formerly the Board of Social Ministry, have resulted in both financial and operational success for the organization, which serves more than 100 communities in Minnesota, Wisconsin and Iowa.

What makes Roberts a level 5 leader? According to Steve Ordahl, Ecumen's vice president of business development, it's her ability to articulate a vision and to act with calm determination toward reaching lofty goals.

"She gets outstanding performance from people because they have tremendous respect for her and her leadership style," explains Ordahl, who has worked with Roberts in three different settings. "It's extremely motivating and empowering to have a leader who combines genuine compassion for others with a selfless drive to make the organization the best it can be. Her ability to bring people together and get results is addicting. I took a substantial pay cut when I joined her at the Minnesota Zoo, after working with her in state government, just so I could continue working with her, and it was worth every penny. We all love her; she has the gift of making you feel in-sync."

Good to Great and the Social Sectors

Jim Collins' monograph, *Good to Great and the Social Sectors*, recognizes that the principles of *Good to Great* are relevant to the social sectors, such as aging services providers, as well as the business sector. Collins recognized that about a third of the readers of his book hailed from the social sectors, and also believed that a few of the principles needed to be tweaked in order to have direct applicability to the not-for-profit world.

First, he discusses how to accomplish the work of leadership when a diffuse power structure exists. Using the example of Frances Hesselbein, former CEO of the Girl Scouts of America, he illustrates that social sector leaders, unlike business CEOs, do not have concentrated decision power, but rather must coalesce many stakeholder groups and seek feedback and input prior to major decision-making. In fact, because of the complex nature of how decisions are made, many business executives fail when they try to make the transition to the social sectors.

Collins says social sector leadership resembles a sort of "legislative" decision-making model whose centerpiece is the ability to persuade and use social capital to make things happen. The process can be more tedious and frustrating for a social sector leader, but requires a skill set not commonly found in purely executive situations in business. Collins is careful to point out that the executive-legislative concept is not a linear one, and that great leaders—regardless of the sector they serve—should employ both executive and legislative influence in their work.

Second, he talks about the important role of followers in the social sector context. Where business executives can substitute power for true influence, the social sector leader relies on getting people to follow when they have the freedom not to follow. This notion underscores the need for greater empowerment in the social sectors, as opposed to a top-down authoritative or transactionally based leadership approach. It might be argued that the social-sector level 5 leader must influence followers in a different, more compelling way, by getting them to buy into a powerful vision and finding ways to connect individual job roles to that vision. Often, money is not the primary work motivator in the social sector, so mission and vision must be highly motivating in order to retain employees for the long haul.

It's up to the level 5 leader to articulate where the organization is going so that followers can latch on to something which brings meaning and significance to their individual lives.

Another aspect of Roberts' leadership style, according to those who work with her, is transparency. Ordahl describes two instances where Roberts faced difficult, "brutal facts" but handled the situation with a forthright attitude. "She never tries to hide or sugarcoat anything," says Ordahl, "and she never shoots the messenger!"

Jim Collins reinforces the idea that level 5 leaders look in the mirror when things go wrong, but look out the window to apportion credit to others when things go right. Empowerment runs rampant among both level 5 and transformational leaders, and Roberts is an empowerer personified. Kathy Bakkenist, Ecumen's vice president of operations, tells why: "Kathryn never gets in our way of getting the job done. She doesn't make us jump over a lot of hurdles. She doesn't ask us to prepare reports. She gives us permission to stretch. We sit around and talk and think as a team about how to do something, and then we move. She wants us to feel fulfillment in our work; she is an exceptional motivator. Because of her ours is a culture of creativity, change, innovation, recognition and appreciation."

Creating the Different and the New

Empowerment involves letting employees try out new ideas, and not "whiplashing" those who take risks. Roger Myers, CEO of Presbyterian Villages of Michigan (PVM), excels in getting his colleagues to think outside the box. He uses the term "purple cows" as a way of encouraging others to be innovative in their thought process. The purple cow concept originated with author Seth Godin, and it simply means to reinvent the organization so that it is "remarkable" and stands apart from what others are doing.

David Miller, regional vice president of PVM and executive director at the Village of East Harbor, describes Myers as one of those people whose "brain is constantly moving, always thinking of new ideas," intellectually stimulating others to follow suit. One key to Myers' success during his 14 years at PVM is his outstanding network of contacts within and outside the organization's 16 campuses.

Collins, in his recently-published monograph, *Good to Great and the Social Sectors*, emphasizes the need for not-for-profit leaders to use the power of inclusion, language, shared interests and coalitions to get results. He states that the complex governance and diffuse power structure found in the social sectors

require a different type of level 5 leadership. Myers, with his compelling communication style and extensive list of community contacts, has been extremely effective in gaining support for PVM's aggressive expansion efforts over the past decade and a half. Under Myers' leadership, PVM has more than doubled the number of retirement communities under its umbrella. It is this type of focus that Collins refers to as "professional will" characterized by a fanatical drive to produce sustained results.

Personal Style: Humility and Will

The other half of the level 5 leader profile is "personal humility." Audrey Weiner, CEO of the Jewish Home & Hospital Lifecare System in New York City, is a high-profile leader with a low-profile way about her. The chair of AAHSA's Ethics Commission, Weiner's personal value set includes such humble concepts as the importance of knowing each individual in her organization, placing a premium on relationships over tasks, recognizing the significance of spirit and being a believer in people. Cara Unowsky, one of Weiner's direct reports, describes her boss as "personable, compassionate and a great mentor" who looks to the long-term well-being

of both employees and residents.

"Audrey has asked us to look out 15 to 20 years into the future," explains Unowksy, the project manager at the corporate office who began her career as an intern at the Jewish Home. Like Roberts and Myers, Weiner is not only affirming and motivating to her coworkers, she is also big on accountability. For example, the Jewish Home has created six "pillars" on which its strategic plan rests. One pillar, empowerment of the workforce, is measured by metrics such as percentage of internal promotions, reduction of sick call-ins, staff turnover and reduction in number of grievances. What's more, these metrics were developed by both labor and management at the Jewish Home as a way of measuring progress over time. It is this culture of discipline that characterizes organizations headed by level 5 leaders.

Setting up the organization for long-term success is another key aspect of level 5 leadership. Writing in a 2003 *Fortune* magazine article about what made level 5 leaders great, Collins states: "It was their deep sense of connectedness to the organizations they ran." Connectedness is what Kathyrn Roberts, Roger Myers and Audrey Weiner are all about. Connectedness to a vision, to their people, and to the accountability they expect from themselves and their coworkers. This "stoic determination" as Collins calls it, means the leader does whatever is required to achieve greatness for the organization, and often possesses a "plow horse mentality." This mentality, in turn, feeds the flywheel of the organization, steadily being pushed by the CEO and his or her team, until eventually, a breakthrough occurs. "This is how you build greatness," concludes Collins. The measure of that greatness, as Collins states in *Good to Great* and the Social Sectors, is brand reputation and "emotional share of heart" in the social sectors, whereas in business, it is market share and financial earnings.

While the three CEOs featured here are all revered by their coworkers, they are in no way "soft." In fact, they have all had to make difficult decisions, such as getting the wrong people "off the
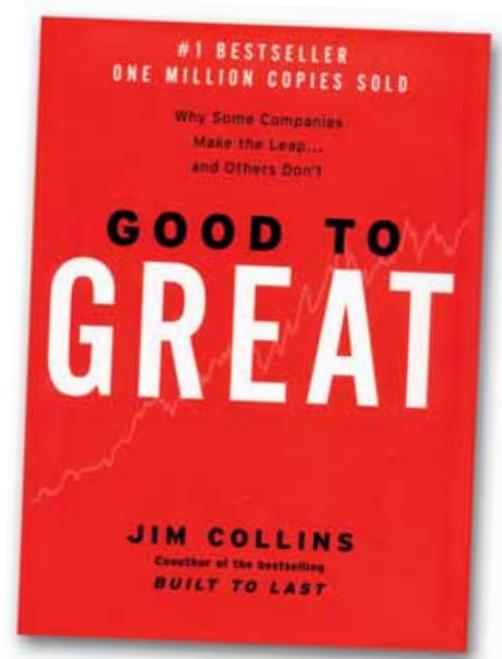
bus," accepting responsibility when things didn't go as planned, and holding their organizations—and themselves—responsible for the results by which they measure success.

Level 5 leaders, with their dual traits of professional will and humility, inspire those around them to reach beyond their normal boundaries, achieving more than they thought originally possible. Upon achieving this self-efficacy, employees are more apt, like their role-model leaders, to place the good of the organization above their own personal needs.

In the process, followers become leaders themselves, ascending from level 1 (the highly capable individual) to level 2 (a contributing team member), then on to level 3 (competent manager), level 4 (effective leader), and with the right nurturing and leadership development, up to level 5.

Level 5 vs. Transformational Leadership: Are They Different?

If you find yourself confused by the plethora of leadership styles out there, you are not alone. There are more than 35 styles identified by management scholars, and the list grows each year. The most prominent of these styles—Collins' level 5 leadership and "transformational leadership," developed by James MacGregor Burns, Bernard Bass and Bruce Avolio, have much in common. For instance, both place a premium on long-term visioning, developing authentic relationships with followers and other stakeholders, encouraging innovative thinking and organizational learning, and engendering a culture of integrity and trust.

Collins' model holds that leaders should also be humble, while the Burns-Bass-Avolio concept is that idealized influence, or charisma, is needed to influence followers. The notion of charisma as an element of leadership has long been debated in management literature. However, Robert House and Jane Howell have developed a useful distinction: personalized versus socialized charisma. Personalized charisma is associated with the inauthentic transformational leader who places his or her own ego and needs ahead of others and the organization. Socialized charisma refers to leadership that has a strong influence on others, for the good of the organization and society as a whole. Although not formally tested to date, an argument can be made that socialized charismatics, while not necessarily humble, are those leaders who keep their ego in check, and act in the best interests of their organizations first and foremost.

The Making of Leaders

James Kouzes and Barry Posner, authors of T*he Leadership Challenge*, subscribe to the belief that leaders possess an identifiable set of skills and practices available to all of us, not just the chosen few.

Their research challenges the myth that leadership only occurs at the highest levels of organizations and society.

John Maxwell, in his book *The 360 Degree Leader*, agrees that leaders are made, not just born, and that they can be found throughout the organization. A drive to serve the organization first and foremost, hold self and others accountable for results, place a premium on relationships, achieve reputation through unparalleled integrity and understand the needs of each stakeholder group so trust is built: These are the hallmarks of the level 5 leader. *A*

Michele Holleran is founder of Holleran Consulting, LLC, and is a doctoral candidate with a concentration in leadership studies at Capella University.