



Illustration by ENRIQUE GUILLAMÓN HIDALGO

## THE MAGNET AND THE HAMMER

# The Twin Pillars of Effective Leadership

By BRIAN LEGGETT and CONOR NEILL

**A**s a manager, you no doubt have some difficult decisions to make right now. Decreasing revenues have put leaders in the thankless position of having to reduce costs, often by cutting jobs and slashing salaries. The stress is enormous, both for the manager taking the decision, and for the many others affected by it. But being in a position of leadership means having to make tough calls.

Times like these call for strong leadership.

We are not the first generation of leaders to have lived through uncertain times. Strong leaders of the past have been born from equally hard circumstances, and the great leaders of tomorrow are being forged in the current cru-

cible of global economic uncertainty. You can be one of these leaders. This time of challenge need not be without purpose.

However, rising to the challenge requires new leadership tools, namely those of the *magnet* and the *hammer*. These two instruments may seem an odd couple, but for any leader interested in making an impact or effecting change in the world, the magnet and hammer need to be added to every manager's toolbox. Knowing which tool to wield, and when, to elicit the needed cooperation is a critical managerial skill.

### Leadership Lessons

Step back from the workplace for a moment

and think of another realm that requires skillful leadership: politics. Political leaders, like managers, must constantly seek consensus and foster cooperation among diverse sets of stakeholders in order that they all might work together fruitfully in pursuit of a common goal. Some of the best lessons to illustrate the twin leadership tools of the magnet and hammer can be found, not just in the Steve Jobs or Warren Buffetts of the world, but in some formidable political forces of the past 50 years: John F. Kennedy and Lyndon B. Johnson in the 1960s, Ronald Reagan and Margaret Thatcher in the 1980s, and more recently, Tony Blair, Gordon Brown and Barack Obama.

Leaders, we are constantly told, need *vision*. Visions need to inspire, but if they lack the resolve to hold people accountable to a clear set of standards, then the visionary leader is discounted as nothing more than an ineffective idealist. Such was the case for U.S. President Barack Obama, a highly articulate and visionary leader who has faced accusations of being weak after taking office.

British Prime Minister Tony Blair, who also came to power with an overwhelming public mandate, backed his grand vision with an abil-

ity to use power to achieve ends. Blair had a group of enforcers who ensured that immediate action was taken and his policies were made tangible, though he was later accused of being too heavy-handed.

Blair's successor, Gordon Brown, came to power with no vision to speak of, and he didn't achieve anything tangible in his early days in office. Given that few people understood his overriding vision, they assumed he wanted power for power's sake. Then, when he tried to enforce his policies, he was labeled as a bully, because there was no overarching *why* behind the enforcement.

These three leaders capture the essence of the leadership challenge facing every manager today. We have conducted 10 years of research on the style of effective leaders, using case studies of prominent personalities such as these, to extract some key lessons for developing the magnet and the hammer, which we will explore in this article.

### What Is the Magnet and Hammer?

To be effective, a manager must master the dual aspects of executive leadership (see **Exhibit 1**). First, you need a set of leadership actions that create a pull toward a destination. These actions include vision, storytelling, charismatic speaking and role modeling. That's the *magnet*.

Second, you need a set of leadership actions that drive change directly. These actions include direct orders, threats, control systems, hiring and promotions, job definition and financial incentives. That's the *hammer*.

It is no easy task to get the balance right. The hammer must give way to the magnet, and vice versa, and all the while there may be very little evidence that either tool is working.

This brings us to another point to bear in mind when applying these leadership tools: It requires a certain amount of patience, dedication and care. In as much as a magnet generates a force that immediately attracts other objects, it also has a slow-acting, long-term effect on other metallic materials in range of its field, eventually bringing them all into alignment. A hammer, too, has a steady effect over time, bending a piece of metal or chipping away at stone until the desired shape emerges.

### There Is No "Best" Tool

A carpenter might have a favorite saw, but it serves for nothing if his job is to remove a nail from a board. A crisis situation, such as the re-

## EXECUTIVE SUMMARY

**During periods of crisis** or disenchantment, charismatic leaders emerge because they offer an alternative to the uncertainty of the times. Such was the case in the 1980s with Ronald Reagan, whose clear message and emotional style held across-the-board appeal and provided a sense of certainty after years of political and social turbulence.

Using case studies of prominent leaders of the past 50 years, the authors explore the keys of effective leadership. In business as in politics, managers can use the challenges of the current uncertain times to inspire others and lead change. To do this, they need two important tools: the magnet and the hammer. Magnet actions include vision, storytelling, charismatic speaking and role

modeling, which create a pull toward a destination. Hammer actions include direct orders, threats, control systems, hiring and promotions, job definition and financial incentives that drive change directly.

Four practices that will help leaders develop skill with these tools are: developing a personal vision; articulating that vision in a way that connects powerfully with your audience; following through on your promises; and then making sure everyone else fulfills their part of the bargain. The authors offer practical tips to help managers go further, and urge them to put their magnet and hammer into practice in various non-work settings, too. By following the examples of yesterday's leaders, you can become a visionary leader of tomorrow.

### The Leadership Toolkit

PICK UP YOUR HAMMER & MAGNET AND PUT THEM INTO ACTION

#### HAMMER ACTIONS THAT CREATE PUSH

#### MAGNET ACTIONS THAT CREATE PULL

**All aimed at reducing uncertainty**

- Make strategic plans
- Follow standard operating procedures
- Set metrics
- Issue threats
- Offer rewards
- Give orders

These help people to NAVIGATE

These show LEADERSHIP

- Cast an inspiring vision
- Speak charismatically
- Be a role model
- Follow important rituals
- Embody a clear set of values

**All aimed at enabling people**

- Provide training
- Hire and promote
- Establish management control systems

These ENABLE people to function

These help others take OWNERSHIP

- Tell personal stories
- Negotiate firmly but fairly
- Communicate publicly
- Serve as an ambassador
- Engage in open dialogue
- Learn from each other

cent financial downturn that most countries and companies have experienced, requires leaders not only to choose their tools wisely, but to make full use of the entire toolbox.

The magnet tools that were effective at sustaining the momentum of success are now the wrong tools to deal with crisis. Magnet tools can be used to create a sense of urgency in the organization, moving people to break from the status quo and rally around a new set of objectives, activities and priorities. But then the hammer tools need to be employed posthaste.

How do leaders become skilled at using these tools? A large part of the mastery comes from identifying the right tool for a given leadership challenge, and then actively following through and applying the chosen tool in the real world. As Scott Belsky in his book, *Making Ideas Happen*, states, “Leadership development is experimental. Through trial and error, good times and bad, we gradually become better leaders – but only if we are self-aware

enough to notice when and why we falter.”

There are four practices that we see in effective leaders that give them the clarity to choose and effectively use the right tools for each leadership challenge. These practices are best developed through a continual learning cycle that involves experience, sharing and, above all, the reflection and self-awareness that Belsky speaks of. Let us consider each practice in turn, and at the end of each section are some tips to help managers go further.

#### Forge Your Vision

Hermann Simon, author of *Hidden Champions of the 21st Century*, has studied medium-sized companies that are market leaders and found they share several key traits, of which the top ones are closely linked with the leader’s vision for the company.

Successful leaders often have one overarching goal that they have identified and developed. Jim Collins discusses this extensively in his books. His term, “Big Hairy Audacious