

Sunday, May 16, 2004

Corporate Entrepreneurship (10) - Jim Collins' thoughts part II

Let's talk about the first finding of Jim Collins, the **Level 5 leaders**.

Level 1: Highly Capable Individual

Makes productive contributions through talent, knowledge, skills and good work habits.

Level 2: Contributing Team Member

Contributes individual capabilities to the achievement of group objectives and works effectively with others in a group setting.

Level 3: Competent Manager

Organizes people and resources towards the effective and efficient pursuit of predetermined objectives.

Level 4: Effective Leader

Catalyzes commitment to and vigorous pursuit of a clear and compelling vision, stimulating higher performance standards.

Level 5 Executive

Builds enduring greatness through a paradoxical blend of personal humility and professional will.

- The term Level 5 refers to the highest level in hierarchy of executive capabilities. While you don't need to move in sequence from Level 1 to Level 5 - it might be possible to fill in some of the lower levels later - fully developed Level 5 leaders embody all five layers of the pyramid.
- Level 5 leaders channel their ego needs away from themselves and into a larger goal of building a great company.
- It's not that level 5 leaders have no ego or self-interest. Indeed, they are incredibly ambitious - but their ambition is first and foremost for the institution, not themselves.
- Level 5 managers are a study in duality: modest and willful, humble and fearless.

This duality looks like a mix between professional will and personal humility.

Professional Will

- Creates superb results, a clear catalyst in the translation from good to great.
- Demonstrates an unwavering resolve to whatever must be done to produce the best longterm results, no matter how difficult.
- Sets the standard of building an enduring great company; will settle for nothing less.
- Looks in the mirror not out of the window, to apportion responsibility for poor results, never blaming other people, external factors, or bad luck.

Personal Humility

- Demonstrates a compelling modesty, shunning public adulation; never boastful.
- Acts with quiet, calm determination; relies principally on inspired standards, not inspiring charisma, to motivate.
- Channels ambition into the company, not the self; sets up successors for even greater success in the next generation.
- Looks out the window, not in the mirror, to apportion credit for the success of the company - to other people, external factors, and good luck.