The Myth of Individualism: CEO’s Limiting Attitude

Written by Tom Northup, November 2005

Many CEOs of small to medium sized companies think they can do it all. They built their companies to current levels by trusting their abilities and instincts and see no reason to change what worked for them. They lead others by controlling work output.

Then they reach a plateau. No matter how hard they try, they fail to rise to the next level. They have forgotten the definition of insanity, that is they repeat the same processes and expect different results

The most effective CEOs understand that they are expert in some areas critical to their business. They also understand that they do not need to be expert in all areas and that doing everything themselves limits their potential for success. They lead by letting go of control. Through alliances with experts in diverse fields, they use the education, perspective and experience of others to their advantage.

Myth of Individualism

Why do we have such a hard time accepting the fact that our success depends on relationships and alliances with others as much as it does on ourselves?

We let the “Myth of Individualism,” the idea that everyone succeeds or fails based on individual effort and ability, lead us astray.

From the earliest days of colonial exploration to the settling of the Wild West, to the present day, we have made individualism a strong part of our culture.

We glorify the myth in our literature, television and movies. Our earliest authors wrote about the successes of the pioneers. Zane Grey’s protagonists succeeded against overwhelming odds. One hero, The Lone Ranger, is even appropriately named. To this day action heroes on television and in movies perpetuate the myth of individualism.

This myth is so powerful that when experts suggest the alternative idea that success depends on relationships with others as much as it does on us, we resist accepting it.

The Presidency is a good example of the power of relationships. Presidents consult a myriad of advisors before making decisions. In contrast, we in the business world often make decisions without consulting colleagues or experts in the appropriate discipline.

Picture yourself in the present. Between you and the different future you envision is an unfamiliar area, a mine field. You need to find the right path to successfully cross this mine field. Where do you go for the knowledge that makes this possible? Do you attend a seminar, read books or articles from *Forbes*? Do make your employees take a trial and error approach?

Or do you consult someone who has crossed the mine field and knows the right path?

One way to gain knowledge has always worked. Use the experience of another. Use an advisor who supports you, shows you how to proceed and doesn’t let you make repeated mistakes, who helps you hold yourself accountable. This is alliance building at its best. You find an expert who has been there, done it and can take you to the other side when it’s really important.

Examples of Alliances

In many situations where the outcome is vital to our business, we discover that we don't have the necessary expertise. By establishing alliances with others we create an effective way to achieve the results and success we desire.

Some potential alliances include:

1. *CPA and Attorney*
We use alliances with our CPA and attorney to ensure compliance with basic business and legal requirements. We could also use our CPA to help structure our accounting system to give us the operating information we need to effectively manage our business. Similarly we might consult with our attorney before legal problems arise.

2. Functional Areas
A typical example is sales. Companies often reach a plateau when the sales department grows to the point where employees and processes would benefit from experience not available in house. Often CEOs who lack a sales background become frustrated with the lack of results. Even though top line performance is critical to business success, many CEOs are reluctant to seek expert advice.

3. *Hiring*
Most corporate executives believe that people are their most important asset. However many of them fail to hire right the people.

Leaders of small companies often have limited experience in evaluating and hiring people. They don't have the cash flow to hire professionals so they conduct the hiring process without expert assistance.

Personal interviews provide limited information to the untrained. Assessments offer an inexpensive and very accurate first step. They provide facts about the candidate that seldom surface in an interview such as learning ability, personality characteristics, motivation and fit with organizational culture and values. Even knowing this, many companies refuse to spend the dollars on assessments.

4. *People Development*
Most companies have maintenance budgets; IT for example. How many have a budget to develop their most important asset, people? Personnel development is specifically designed to improve effectiveness by changing behaviors and attitudes. A small improvement in the effectiveness of key people has a great impact on the bottom line.

5. *Strategic Planning*
Organizations with a specific plan significantly out-perform other companies of equal capability. In a Harvard Business Review study of small to medium sized companies, those with strategic plans were 40% larger than those without a plan, had slightly fewer workers and thus had 45% higher revenue per employee. The message is simple: planning develops focus; focus drives performance; performance drives results. Planning gives us a strong competitive advantage in the market place.

Very few CEOs know how to conduct a planning session. Successful CEOs hire outside facilitators to maximize the benefits of strategic planning. Skilled facilitators bring out the best from all participants. As neutral parties, they overcome the political and hierarchical environment. They use proven systems, ensuring that the company's plan is a product of the team's best input.

Summary

The myth of individualism is so strong in our business culture that we have a hard time accepting the view that success depends on our relationships with others as much as it does on us. Alliances with experts in fields in which we don't have experience bring us the results and success we seek.

Many CEOs believe that they can't afford outsiders because they don't have sufficient cash flow, volume or profits. The successful CEO must recognize the importance of an alliance, find a way to make the alliance work and rigorously hold himself accountable so he realizes the results he expects.

Jim Collins in *Good to Great* said, "Good is the enemy of great." Too often we only aspire to be good, thus achieving the average in our industry. We concentrate on merely being good and we prevent great from showing up. Set your goals and expectations high because we are what we think and we get what we believe we will get.

Effective CEOs take the challenge to generate great results in their business. They develop alliances to bring the success they envision. They don't go it alone but bring in experts in all important areas of their business.