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PERSPECTIVES

Moments of Truth

Global Executives Talk About the Challenges That Shaped Them as Leaders

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When did you realize you had the right stuff to lead? The answer depends, of course, on what you consider the right stuff to be. Is vision the essential quality of leadership? Is it the courage to act with conviction? Or does it have more to do with having passion, good instincts, or humility? The editors of *Harvard Business Review* asked business leaders in a variety of settings to tell us what they think is the most important leadership quality and how they've personally been tested. We didn't always get the story we expected.

It's easy to assume that leaders' stories mirror their organizations' travails and triumphs. If a company has suffered a highly visible setback—like a product recall or a proxy fight—it seems obvious that the incident must have tested the chief executive's mettle. Likewise, when a company is known for a quality, like innovation or focus, we expect to see it reflected in the leader's own career. In contexts like these, leaders do show us what they're made of. But more often in the pages that follow, what we see is something they learned about themselves at a less public, more pivotal moment.

Humility

Olli-Pekka Kallasvuo has been the president and CEO of the telecommunications company Nokia, in Espoo, Finland, since June 2006.

In 1990, I was 36 years old and had just been appointed chief financial officer at Nokia. It was a challenge—and not only because I was young. It was a turbulent time in the company's history. Nokia, which was already very big, was in quite a serious financial situation, and each month brought fears that we would not be able to pay salaries the next. What I also see now is how inexperienced I was, having come from a legal and strategy, rather than an accounting, background. There were many trips in those months—to Zurich, Frankfurt, Tokyo, London—while I tried to raise money from bankers who were losing faith as earnings continued to fall. Those long flights brought me face-to-face with the difficulty of our situation and how utterly alone I was. They changed me. Even when things got better financially, I knew where I stood, personally.

Humility is a vital quality in a leader, just as it is for a company. Nokia, if it is to continue to prosper, has to be externally oriented. It must have the kind of humility that makes it listen to the customer and seek ideas from outside. It has to be humble in the face of complexity. Especially today, as the convergence of mobility and the Internet has everyone guessing, Nokia can't be so overconfident as to believe its predictions are the best. Instead, we need to perceive changes as they occur and react the fastest. In a management team, that responsiveness is a product of diversity—managers must humbly accept that their own perspectives need to be broadened by others'.

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Having humility does not mean that you are quiet or that you lack the courage to say what you think. Courage and humility are more complementary than contradictory. People who have been humbled by being down and out can have more courage when things get tough. They've been there already, and they understand that things are not always easy. But having humility does mean that you put your own contribution in perspective. It means that you know, as CEO, that your role is really to serve the company.

The demands on corporate leaders are so great, many CEOs come to understand that if they aren't committed to their jobs 101% they will not make it. For me, the realization came in the mid-1990s, when I worked abroad for two years. I made the decision that this is the life I am going to lead. I'm serving the company, and I will give it my all.

When you have made that decision, you grow as a person. It gives you the courage to speak up when everyone in a room says, "This is the case," and you don't agree. It gives you the strength to resist the safe conformity of benchmarking and instead try to think differently. It allows you (in fact, compels you) to say that things have changed, and we need to change, too.

At the same time, that perspective makes you appreciate how much you depend on others—another humbling realization. When I was first put in charge of a team 19 years ago, I had to come to terms with the fact that I was no longer a lone professional doing my own job. I had to manage in such a way that other people would be the ones making things happen, not me. With every year, the lesson has intensified. As of January 2007, Nokia has 100,000 people, and there's really very little I can do alone. But there is much I can do with the team.

Energy

Gary Jackson (gjackson@blackwaterusa.com) is the president of Blackwater USA, a private military contractor and security firm based in Moyock, North Carolina.

The crucial turning point in the fortunes of Blackwater USA occurred in the wake of the October 2000 bombing of the USS *Cole*. Suddenly, the U.S. Navy urgently needed the type of training we provide. In fact, the Navy asked us to train 20,000 sailors in six months at facilities in four locations. Our company at that point consisted of 30 people. I remember thinking, "Oh my goodness." But I had no qualms about saying yes. We had it all, even if we hadn't put it all together. Before those six months were up, the nation suffered the terrorist attacks of September 11, and Blackwater was growing from a small training center into a major force.

The key to our growth has been our culture. Almost as soon as you set foot on the 7,000-acre campus at our North Carolina headquarters, you feel the energy of the place. Some of this is just a function of who we are. A lot of our people are from Special Ops—Green Berets and Navy SEALs. These are people who, when presented with a challenge, don't say "Hmmm." They say, "Let's go." But it's also a function of how we choose to run things. I've tried to take the best of military culture and structure (I might be the only corporate president who has a corporate master chief and a chaplain reporting to him) and keep the chain of command short, so bureaucracy doesn't overtake us.

To keep the spirit entrepreneurial, I sponsor "100-day projects." Anyone at any level in the company who has an idea for making or saving money is given free rein to pursue it, so long as the payoff can be realized within 100 days. We've got six of those projects running at the moment.

Everyone who knows me knows about the

personal database I keep. I've got 3,500 names tagged with either a "T" or a "D," depending on whether the person is a talker or a doer. I constantly push for the 80% solution that is executable now over the 100% solution we might be able to devise in another three weeks.

Our culture is what has made our name as a company, and the biggest test I face as a leader is preserving it. Some of that test comes down to personal behavior. In our parking lot, we have only one spot marked "reserved," but it's reserved for the first person who gets to work in the morning. More often than not, I get it. One of the challenges of working in a super-energy environment is that the company feels it when the leader is flagging. I can't slow down.

The greater part of the test comes with high-profile decisions, especially about personnel. Six weeks ago, I had to make a wrenching one regarding a dozen people who were hired way back when I was just getting staff on board. They had developed that 100% solution mentality, wanting to form working groups that would discuss possibilities for weeks. That isn't us. But I wrestled with the decision because another huge part of our culture is loyalty. We have 6,000 men and women working in nine very dangerous countries, plus another 1,000 in the U.S., and they do it because they love the company. But they also do it because I've said that their loyalty will be returned. Most have families, and we make their well-being our business, too. When I asked those dozen people to leave, I risked sending the wrong kind of signal about Blackwater. But I knew it was the right thing to do: I'd already let them stay longer than was good for the company.

In the 23 years I spent as a Navy SEAL, my leadership capabilities were tested at every step. I had to prove I could lead two or three people, then 16 people, and so on into the hundreds. Today, I'm an entrepreneur leading a 7,000-man force that believes in doing what it says it will do and at speeds that nobody can believe. My job is to keep that going.

Intuition

Franz Humer is the chairman and CEO of the pharmaceutical firm Roche, based in Basel, Switzerland.

People often talk about the loneliness at the top of an organization. It's true: The balance is not easy to strike when you want to build and work in a team but must make difficult decisions that you cannot always share with the team members.

But leaders have to go it alone in another important way. Many times, when opportunities arise to grow the business or to make substantial changes, your internal organization talks to you only about the risks you run—about all the things that could go wrong. When the evidence presented to you is so unevenly stacked, it's up to you to know how much trust to have in the other side of the deal.

Sometimes, the resistance takes the form of unquestioned assumptions. In the mid-1990s, when I was with another company, we had an ulcer treatment that had reached £1 billion in sales—which was as much as any pharmaceutical product had ever sold. I believed sales could go twice as high, but convincing the marketing teams and general managers around the world was a huge challenge. The whole organization was absolutely convinced it couldn't be done. Why? Simply because it hadn't been done before.

Often, the resistance has better arguments than that. I remember the debates four years ago when Roche bought the majority interest in a Japanese company. It was established wisdom that one could not acquire a Japanese company and be successful. Western companies that had tried had never really been recognized as Japanese players in Japan, as opposed to foreigners coming in. It is true that, given how business is done there, it is difficult to understand and navigate the marketplace, especially if you don't speak the language. It was also true that Roche already had a market presence in Japan under our own brand name. As part of the deal, we would be giving that up, integrating the operations, management, and products into those of the Japanese company. My colleagues weren't at all confident that it was worthwhile to walk away from what had been built over 75 years.

Today, Chugai Pharmaceutical is one of the top three players in the world's second largest pharmaceutical market. But four years ago, I had to trust it would work. I did, in large part, because I trusted my counterpart in the negotiations. Our relationship had developed over a five-year period in which we had started discussions, then broken them off, then come back together. Usually, a leader has less to go on yet still must make the decision on how much to trust.

How does one learn that judgment? It's a matter of becoming hyperaware of your environment and learning to sense the vibe in the room. Especially in a negotiation setting, I try to have my entire body, my entire mind, all my emotions switched on to "receiving." How are people reacting? How are they behaving? If you can enter this mode, you can be sensitive to small changes that other people wouldn't even notice. Perhaps I've developed some of that sensitivity from living in many different countries and speaking many different languages. By now, with no strong roots in any given culture, I gravitate quickly to what is common to all people.

The pharmaceutical business is filled with licensing deals, business development partnerships, and product alliances. For any significant deal, I insist on meeting with the other people before we sign. I want to know with whom we are dealing. And I have walked away from deals when I have felt I cannot trust those people.

This does not take the form of some dramatic scene. Rather, I go back and take a closer look at the deal, then, perhaps, realize that the risk is a little too high, the terms are a little too loose, or there is a bit too much flexibility. I'm a lawyer by training, so if trust is not there, I want to have everything nailed down to the last iota. The Japanese deal was a mere two-page document that my counterpart and I signed. We gave it to the lawyers and financial people and said, "This is what you need to make happen."

Vision

Arthur Gensler founded Gensler—a global architecture, design, planning, and consulting firm—41 years ago. The firm has grown to 2,400 people in 30 offices.

In 1965, I had just finished a major project for San Francisco's BART public transit system, setting the standards—down to how many restrooms were needed—for 13 teams who were designing 33 stations. I was working for the architectural firm of Wurster, Bernardi & Emmons, under the legendary William Wurster, who had formerly been dean of the architecture schools at both Berkeley and MIT. He encouraged me (as he did everyone) to hang out my own shingle.

It happened around that time that I met up with an old college classmate one night, and he told me he needed help in tenant development work. This involved meeting with potential tenants of an office building and drawing up plans for how they would fit into the facility. It's what's known as space planning today, but back then it was considered below the dignity of a "real" architect. Typically, an office manager or furniture dealer would sketch out the floor plan on graph paper. What passed for interior design was putting a few Barcelona chairs in a lobby.

My friend was the development manager for a San Francisco waterfront project called the Golden Gateway, which included the Alcoa building, a major new office tower. The conversation intrigued me. I thought in this "tenant work" there might be the makings of a valuable business.

So I rented some space and four drafting tables, hired one draftsman, and took my friend up on his offer. It wasn't the best time to take an entrepreneurial risk. I had a wife and three children to support, and a total of $200 in savings. I can't claim I had any business acumen. There's virtually no business training in architecture school. But I listened to the people in the legal, finance, and consulting companies who were the tenants. I asked about what they did and how they worked. I became fascinated with the way organizations operate in a space. And I soon realized that there was an opportunity to professionalize tenant work, to thoughtfully analyze the space requirements of the various business functions and raise that to a new level of service.

To understand how different this client-based perspective was, consider one of the oldest lines in the profession: "I could do a great project if it weren't for the client." It's always said jokingly, but architects really do refer to projects as *their* buildings when in fact the buildings belong to the clients. I came to see that architecture is all about the user of the building. It isn't just what you see as you drive down the street; it's about the environment we create inside.

In the following decades, we continued to question traditional industry practices. We put in a profit-sharing plan and created in-house management-training courses. We adopted a structure based on practice areas. Most successful firms still operate on a project basis, which means a lot of hiring and firing to match the

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workload and no interest in small jobs. Our structure allows us to welcome both large and small projects, as long as the work is for a quality client. I remember loaning a single draftsman to someone for a small project 35 years ago. That was Don Fisher, who was opening his second Gap store, and we've worked with him ever since.

The most important decision we made was to do away with the star system: Outside Gensler, the profession is still very much centered on a "name" architect. But a hugely complex project cannot hinge on one person. It takes a star to get the project, a star to design the project, a star to document the design, a star to build it, a star to collect fees, and a star to run the business behind them. We've built a team culture where we are all stars, no matter what role we play on a project.

By 1995, "Gensler and Associates, Architects" had evolved to the point where we were offering many different services besides tenant planning—architecture, consulting, brand strategy, product design, master planning, and interior design. Perhaps I shouldn't have been surprised when our branding and graphics group suggested that we take "architects" out of our name. It no longer defined the broad consultative practice we had become. Still, it was an agonizing decision for me. Like most people in the profession, I think design is in my blood. At the age of five, I told people I would grow up to be an architect, and at Cornell's Department of Architecture I won the top award in my graduating class. My profession is central to my identity.

But I've discovered there are always new ways to define the profession. Recently we have started a new kind of service for very large-scale, complex projects. We are managing the designs of six other world-renowned architects, as well as providing our own design services, for MGM Mirage in Las Vegas. It is an unprecedented role within the industry, and there was no term for it. We've settled on "executive architect."

Perspective

Sergey Petrov (sapetrov@rolf.ru) is the founder and sole owner of the $2.4 billion Rolf Group, Russia's largest foreign car importer and distributor.

My professional life began in the military, and by 26, I was a major in command of a squadron. So one could say that I was benefiting personally from the Communist system, but still it made me sick. By 1982, unrest had flared up in Poland in the form of the Solidarnost movement, and a group of friends and I felt that mass protest could develop along similar lines here. We began to meet, to study market economies and the history of Western democracies, to analyze the flaws of the Soviet system, and to talk about Russia's future. We felt that it was necessary to prepare training courses for people who might lead the trade union movement. It was when we started to print flyers that the KGB took notice, as we knew it eventually would. But when you see that something is wrong, you have a choice: Either you convince yourself that everything's all right and become a moral invalid, or you resist.

When I was first held for questioning, the counterintelligence chief of the Volga Military Administrative District, a General Dan'kov, said to me, "So you, Major, want us to have democracy? But here, everything is for the people. I'll tell you what: Why don't I bring you to the nearest factory and tell the workers, 'This man wants everything to be like in America.' They will tear you to pieces." I thought to myself, "It really might be better to go home to my wife." He was right that I'd be going to jail for people who had become so used to slavery that they didn't question it—even loved it.

It's difficult for most people to see the system they are part of for what it is, and perhaps that is one test of a leader. The same lack of perspective often keeps people from seeing how their own mentality might be a constraint. After the company I founded, Rolf, began growing rapidly in the 1990s, I had to recognize how the attitudes of some of my Russian executives were creating risks they didn't perceive. In late 2000, for example, we were supposed to pay an Austrian construction firm several million dollars on a contract it had already completed. But just as the payment was coming due, there was a change in Russian customs regulations, which led to an upsurge in demand for cars. To satisfy it, we had to import many more vehicles than originally planned. "Can we find the money?" I asked my finance director. "Yes," he said, "if we hold back from paying the Austrians." I called and negotiated one month's grace. But somehow, three months went by, and the bill was still not paid.

In truth, foreigners can be pretty strange: They try to rally people around HR technologies and other programs that really don't work here.

In my finance director's mind, it was a matter of "So what? It's only a small fine for being overdue." He had no notion that it wouldn't be seen this way in other parts of the world, where a lag in payment is considered a default and a catastrophe. Rumors, in fact, were already flying.

After that, I told him, "Listen, man, I love you very much, and I'm ready to go dancing or fishing with you, but I'm going to hand over the finances to someone else—someone whose mentality corresponds to that of our foreign partners." That turned out to be Matt Donnelly, the Irishman I recently made CEO of the business.

The emphasis we put on our reputation has paid off. Last year, for example, we were able to get $350 million under favorable terms from a syndicate of Western banks, saving us the astronomical interest we would have paid in Russia.

Over the years, I've had to put a great deal of effort into defending the foreign executives I've brought in. Our Russian managers are ambitious guys; they know what life is all about, and suddenly they have to obey a foreigner who seems to know nothing. His Russian is terrible, and his own language incomprehensible. And, in truth, foreigners can be pretty strange: They try to rally people around HR technologies and other programs that really don't work here. But we need to have our perspectives challenged. So when emotions have run too high, I've said, "That's it. Stop! If you can't work with them, we'll just have to replace you!"

It's one thing to manage a $10 million company and another thing to manage one that has grown into the billions. You need a different approach, and not everyone can make the transition. When I've recognized that and made management changes along the way, people have become upset. "Why did you do this," they've asked me, "when everything was going well? There was no decline in the numbers...." But you can't sit around waiting to go into decline. If you can see the limitations in a situation, you can act to transcend them.

Passion

Alan Klapmeier cofounded Cirrus Design, a Duluth, Minnesota–based manufacturer of private aircraft, with his brother, Dale, in 1984.

In the mid-1980s, I was flying with an instructor and had a midair collision with another small airplane. We were barely able to land safely, and I watched the other guy hit the ground. It turned out to be a friend of mine from the next airport over who died. I was passionate about flying before that—my brother, Dale, and I had been airplane nuts from boyhood. But after that day, I was passionate about airplane safety.

That's probably why, when a company called Ballistic Recovery Systems developed a workable full-plane parachute, we were the one aircraft maker interested. Our company, Cirrus Design, was just beginning to make a name for itself in the industry; the guys from BRS had already called on everyone else. When we said yes, they almost couldn't believe it—but it fit in perfectly with what we were trying to do.

If you talk to people who like to fly but aren't pilots, you tend to hear a common refrain. "I've always wanted to learn, but it's so *expensive,*" they say—as they climb into their Lexus and head off to golf at the country club. It's an excuse, because they don't want to admit that either it's too hard or they're afraid. Private-aircraft designers need to address the fear in two ways: by changing people's perceptions—because flying is really a lot safer than most people think—and by changing the reality—because it's also more dangerous than it could be. A parachute on the airplane helps do both. And so does another innovation we brought to market: a more intuitive panel flight display.

The argument for the new PFD—what the industry now calls the "glass cockpit"—is straightforward. Pilots are much more prone to accidents when they're using instrument flight rules (IFR), when visibility is limited, than when they're using visual flight rules (VFR), on a clear day. Those who've made mistakes usually say they got into trouble when they "broke their scan." The scan is the routine way pilots learn to watch the round gauges in front of them and keep their bearings: They look at the artificial horizon, then at the airspeed, then back to the artificial horizon, then at the altitude, then back to the artificial horizon, then at the heading—and back to the beginning. That constant reference back to the artificial horizon is necessary because it's the only way to know which way is up when the natural horizon is not visible. If some distraction in the cockpit (maybe as

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minor as having to fiddle with radio knobs) makes you break the scan, you can easily become very disoriented.

Pilots use the same gauges flying VFR. But if they break their scan, they rarely get into trouble because they have information coming in from the corner of their eye to alert them to a change in their attitude. What we realized is that computer technology could replace the quaint little gauge with an artificial horizon spanning the width of the cockpit. That edge-to-edge image, mounted horizontally instead of vertically, is similar to being able to see the actual horizon. Combine that with a big, moving map, and the new PFD relieves the pilot of having to spend so much energy just forming a mental picture of what the plane is doing. The pilot becomes less a data collector and more a decision maker. Bottom line: It's safer.

But as logical as it seems, this innovation would never have made it to market if we hadn't been truly passionate about it. When we went to air shows and told people about the features we were designing and how they would change the industry, people laughed at us—literally. My own board of directors tried to stop me from introducing it. In their defense, we had just spent $100,000 doing a market research study and, of all the product development ideas the respondents weighed in on, that one ranked dead last. But I said, "You can't ask a question of somebody who doesn't understand the question and make a decision based upon their answer. They don't know how good this stuff is going to be—how it will change the way they fly, change safety, change utility. They're just wrong." I knew I was betting the company, and I said so. I also knew it would be my head if it didn't work.

I made things even harder for myself by insisting that this great new technology would be standard on all our airplanes, including our base model. I knew other people thought it should be a high-priced option—but my thinking was the complete opposite, that it had to be for entry-level aircraft owners because, by making it easier for them, we'd keep them in the game.

Anyone who's passionate about the future of general aviation should see it this way: When it's easier to fly, people fly more often, and when they fly more often, they find they get better value out of flying—and they stick with it. That benefits the whole industry. The attitude of some pilots amazes me. I remember one complaining to me after a presentation I did at the Oshkosh air show in the mid-1990s. "If you do all the stuff you're talking about," he said, "then *anybody* will be able to fly." I said, "Yeah, that's the idea!"

You have to have passion to do something industry changing—and not only because there are so many skeptics. You also need it to get you through all the setbacks. In so many businesses, there's a tendency anytime something goes wrong to abandon the whole approach and go in another direction. There's not enough passion, or perseverance, or conviction that the basic idea is right. People shrug and say, "Well, that didn't work. Let's go and do something different," as opposed to, "Well, that didn't work, but *what about it* didn't work?"

Not long after we started Cirrus Design, we faced that kind of moment. It was a week before Oshkosh, and we were testing a prototype of our first airplane. I did the test flight with one of the engineers, Dean Vogel, in the right seat. My brother and our chief engineer were in the chase airplane. As one of the guys closed up the engine compartment, he asked me if I wanted to wait while he put in some new fire extinguishers. The airplane had automatic fire protection, but the fire protection bottles had blown off the day before when the engine overheated. I said "No, they'll just blow off again." I was saving $25 worth of fire extinguishers.

It was right after takeoff that the chase airplane came alongside, and I heard the chief engineer yelling, "Fire! Fire! Fire!" We set the plane down in a field about a mile off the runway, got out, and proceeded to watch it burn. Afterwards we gathered everybody together, maybe 20 of us, and went to the local Pizza Hut. "The *good* news," I said, "is that it burned up completely—because think how much work we'd have to do this week if it were only damaged." Everybody kind of laughed, and then we talked about how to get back on track. As we were leaving, someone said, "I can't believe it; I just assumed we were out of business. I mean, we lost the prototype." We said, "No, we still believe we're right. There's a market here, and we understand the technology. We're going to make this work."

Until that point in my career, I can honestly say I had never felt so much pressure to reverse a decision.

Conviction

Alexander B. Cummings (acummings@eur.ko.com) is the president and chief operating officer of the Coca-Cola Company's Africa Group. He is based in Windsor, UK.

When you are a leader, but not *the* leader, of an enterprise, the tests of your ability come as strongly from above as they do from below. Early in my days with Coca-Cola Africa, I made a decision that I felt was a good one at the time, but unfortunately the short-term results were not proving me right. Quite the contrary, my judgment was costing the company volume and market share. I remember feeling intense pressure to reverse the decision and stem the losses.

Here was the situation: The Coca-Cola Company was at the time, as it still is, a very competitive enterprise. Volume and share growth was paramount; we wanted to see continuous increases in the per capita consumption of our products. But I saw a situation where that focus was taking a toll on the overall health of our business system, especially for our indispensable partners—our bottlers.

In a market with high inflation and currency devaluation, we had held price for several years to maintain our growth momentum. As a result, our bottler was struggling to make adequate returns. In the interest of overall system profitability, I made the unpopular decision to increase prices. I firmly believed that it was the right decision to serve our own company's long-term interests, even though the primary beneficiary of the price increase was the bottler. After much debate, I got agreement to proceed with the controversial, yet vital, price increase.

We all knew that the decision would lead to a decline in volumes—but I hadn't anticipated how dramatically they would drop. Even more worrisome, despite the fact that our competitor followed suit and raised its own prices within a few weeks, we were also losing market share. The pressure began mounting.

I was an experienced manager, having come from a company where I had served as CFO for the international business. But until that point in my career, I can honestly say I had never felt so much pressure to reverse a decision—to roll back prices. I was in somewhat of a quandary; I would be putting my career at risk if the declines in volume and market share persisted.

Despite the pressure, I was convinced that in the medium to long term, the decision would prove to be the right one, both for the company and our bottler. We just needed the fortitude to ride out the short-term effects. I knew, too, that my leadership and credibility—as well as any future influence—with the bottler would be severely damaged if I retracted my decision. Finally, I trusted my instincts and knew that my company was in fact paying me to make calls like this.

Fortunately, things did work out in the end. After six tough months, the declines finally bottomed out. In the fourth quarter, the bottler began to see the financial benefits. Ultimately, our economics changed for the better, as well. Today, even though we have some challenges in that market, the system continues to benefit from that decision. And just as I underestimated the short-term negative effects, I also underestimated how much our relationship with the bottler would also change for the better. People there had expected me to cave in under the pressure. But once I held my ground, it was the beginning of a whole new chapter. Not only did the economics of the relationship shift but so did the psychology. We at the Coca-Cola Company had demonstrated that we understood the bottler's challenges and were supportive of them. In the eyes of that important business partner, and for my growth as a leader, seeing this tough decision through was indeed a defining moment.

Learning

Duleep Aluwihare is the managing partner at the accounting firm Ernst & Young in Warsaw, Poland. This essay was adapted from one that appeared in the December 2004 edition of *Harvard Business Review Polska*.

The most difficult experience in my business career came with the collapse of Arthur Andersen, a company at which I had worked for 25 years, and one that was once the leader in the consulting market. The demise of Andersen was a traumatic experience not only for me but also for 800 workers of Andersen in Poland. We did survive; almost every consultant from Andersen transferred to Ernst & Young. I was able to keep the team intact and maintain the trust of our clients in the Polish consulting market.

This might not have been the case had I not previously undergone a difficult personal development experience that improved my managerial abilities. When I came to Poland in 1989 from London, where I had worked for Andersen since I'd graduated from the London School of Economics, my job was to build the Polish Andersen office from scratch. After a few years, we were achieving great results and developing a client base more rapidly than our competitors.

Unfortunately, our success went to my head. Totally subconsciously, I grew to have a stronger and stronger feeling of my own infallibility. My friends say that I became arrogant. I was terrifically self-confident; I felt sure that I could do everything. I even bought a Jaguar—a car that not many people in Poland drove at that time.

I received a visit from my mentor, Manuel Soto, a creator of the Spanish Andersen, who was supervising the activity of the company in Europe. Manuel observed my behavior at work and said that as a company director I had strayed from the right leadership path. I listened to him, of course, but without conviction.

Not long afterwards, our biggest client failed to pay us for two major deals. The loss caused me to lose face; I had to explain myself to my bosses. Manuel took one look at me and scolded me: "Look what arrogance leads to. You pretended to be a superman; you were sure you could do anything. And now you're asking us for understanding and forgiveness." He told me I had to change. I had to stop showing off and trying to dominate people. I had to regain their respect. I had to rebuild the trust of others in me as a leader and support them during good and bad times. He added that I shouldn't overestimate the strength of personal involvement in the daily work of the team, because success springs from the team's work.

This time I took the lesson to heart; I adopted a completely different leadership model. I tried to become an example for others. I set very high standards for myself, and I expected everyone to do likewise. I stopped simply giving instructions, and I worked on the front line with my people. I tried to build a culture in which the employees could make decisions quickly and would not be afraid of challenges and possible failures.

The personal and behavioral changes the team and I both made stood us in good stead when Andersen was in trouble. Suddenly, everything my coworkers and I had spent so many years building was about to fall apart. My leadership was put to the test. I didn't know how many people would stay with me or how many would trust me during the hardest months, when we were negotiating the merger with E&Y and our competitors were trying to buy our consultants. We managed, however, to emerge victorious from that trial, and today E&Y Poland is doing well.

And as for the Jaguar...that problem was solved, too. The car was stolen.

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