

# Our Most Admired CEOs have a No Guts, No Glory Approach to Inspiration, Risk and Innovation

By Dr. Sherry Nooravi, organizational psychologist and Keynote Speaker of the 2012 Most Admired CEO awards

Fearless, driven and passionate is how I describe the nine winners of the 2012 Most Admired CEO Awards I interviewed. Not impervious to fear, they sense it like the rest of us – and still forge forward toward their dreams. You will learn from this excerpt of my findings that they take culture seriously and invest time and resources to make sure they're constantly shaping workplaces that benefit their employees, clients and stakeholders.

## They Drive Culture

Overall, there are four actions these CEOs take to drive the culture they want. They set the tone from the top, hire selectively, recognize and reward key behaviors and celebrate wins.

Each year, Jim Cable, CEO of Peregrine Semiconductor shares the corporate goals with employees so they can understand them and their relevance to their work. During high growth periods, they make sure to continue the open communication culture by having all-hands and regular management meetings.

Greg Rogers, CEO of Pacific Building Group makes sure to have events that include spouses. "We want to honor the fact that they are giving up their spouse during work hours."

Jim Collins, author of *Good to Great* states that with the right people in the right positions, many of the management problems that plague companies and sap valuable resources will automatically dissipate. This philosophy was echoed among the most admired CEOs, who also believe in taking the time to find people whose values match their organizational culture.

"Culture is critical and we have specifically and often quite painfully only hired people who care about what we're about," said Greg Koch, CEO of Stone Brewery. "It's critical that we have fans of what we represent in every way. It's okay to work here and not drink alcohol. They may share why they like the company, our ethics and community involvement—things like that demonstrate what they care about."

Gary Rayner, former CEO of LifeProof (recently sold to OtterBox) believes in hiring people who match the culture. Additionally, he aims to identify, manage and grow people internally versus hiring "hotshots, well-known high performers who can also be social climbers who can ruin your business."

Joanne Pastula, CEO of Junior Achievement also has strong feelings about hiring collaborative people. "Our core standards are laid out and you have to be a team player," she said. "[If there is conflict], you can't bite back. If you send a nasty email, I'll fire you. You've got to love this job."

## They Inspire their People

According to the Gallup organization, 71% of American workers are unhappy at work. "Not engaged" or "actively disengaged," their behaviors



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translate to reduced productivity and average to low results and customer service.

"Leaders will buy miserable employees latte machines for their offices, give them free lunch and sodas, or even worse—just let them all work at home, hailing an 'enlightened' policy of telecommuting. Hell, some of these practices might even earn your company a business magazine's Great Place to Work award," Gallup CEO Jim Clifton said. "The problem is, employee engagement in America isn't budging."

There are four actions San Diego's Most Admired CEOs take to make sure they are engaging their employees.

- (1) They are clear about what they stand for. Gary Rayner shared that "Values and integrity bring the mission to the front. People are looking for a mission, a cause and if you give them a good cause to become involved with, they'll put their hearts and souls into it. We've saved lives with our product."
- (2) They have a communication strategy that includes aligning the senior team, "walking the talk," and matching the communication medium to the audience. "We bring our leadership team and key individual contributors together on a regular basis to make sure our senior team is aligned and that we are bringing the company to the next level," Tim Caulfield, (now former) CEO of American Internet Services shared.
- (3) They don't micromanage. Greg Rogers, CEO of Pacific Building Group shared that his approach is sink or swim. "If you hire someone and give them responsibility, you have to be willing to let them make mistakes, give them feedback and then go back and see if they correct their mistakes. That is what has allowed me freedom. You need to allow people to fail if you want them to succeed. If you don't empower them, they'll always look to you and there will be no growth." Gary Cady of Torrey Pines Bank also gives his senior leaders the freedom to do their jobs. "Often the most important thing for me is to get out of the way."
- (4) They keep score and measure everything. "I'm focused on metrics and I keep score," said Bob Kelly of San Diego Foundation. "I don't care which score you're keeping, but keep score."

## They Embrace Risk

The leadership behavior that stood out the most was the CEOs' attitudes toward risk and innovation. I observed that the entrepreneurial spirit is alive in all nine of them. Meeting after meeting, I walked away saying, "Wow! No guts, no glory!" We can learn from the ways they do it:

- Following their gut. Everyone asked Gary Rayner: Another cell phone case? Greg Koch did the unheard of by having a restaurant with no drinks with high fructose syrup, no TVs and an eclectic menu. "For me, it's finding a way that it's not supposed to be done."
- Having sounding boards. Joanne Pastula uses Vi-stage, a 50-person board and her executive team. "Calculated risk is essential and our world turns on entrepreneurship and intrapreneurship."
- Accepting risk as a part of life. Growing up in a housing project, Bob Kelly said he faced gangs in his courtyard everyday where risk was all around him. "It wasn't going to stop me from going where I needed to go. We shouldn't be afraid of risk. It's not scary. I talk to lots of people about big decisions."

## They Tap into their Team's Innovation

They apply their innovative thinking to the way they operate their companies from who they bring on to how they role model the desired behaviors they want to see.

- 1) Hiring for creativity; "We tend to hire creative people and free thinkers and give them confidence to push for things (Greg Koch); "I challenge my staff to think outside the box in coming up with solutions. I select people for their creativity and ingenuity in problem solving," Larry Anderson, former CEO of Tri-City Hospital
- 2) Creating open forums; Gary Cady has no-holds-barred planning retreats that serve as positive and nurturing forums
- 3) Walking the talk; Jim Cable continues to patent new ideas and maintains monthly business reviews about new products
- 4) Getting connected; Tim Caulfield said they push the edge on cloud computing by getting involved outside the company with organizations like CommNexus.

If you want to learn from these CEOs, you can certainly apply these examples on the "how" of being a successful leader. Going a bit deeper, I encourage leaders to find their "why." The strongest leaders I've worked with are open to seeking feedback from their teams and customers. It is this spirit of openness that will help you thrive and take your leadership to the next level.

About Dr. Sherry Nooravi

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