PREFACE

The Organization Beyond the Leader

What Will the Organization Be Able to Do Because You Were Here?

Leadership is usually evaluated while the leader is present.

Did the business grow? Did performance improve? Were difficult problems solved? Did the team execute? Did customers, employees, or shareholders benefit from the leader's tenure?

Those questions matter. But they capture only part of leadership's consequence. Another measure becomes visible later:

What can the organization do without the leader that it could not do before?

Successful leadership can create dependence almost invisibly. Capable leaders attract difficult decisions because experience allows them to recognize patterns others miss, reconcile competing priorities, and act with confidence when the answer is unclear.

That capability creates value. It can also become something the organization learns to rely on.

Bob Iger's leadership of Disney illustrates the tension. During his first tenure as CEO, Disney expanded dramatically through acquisitions including Pixar, Marvel, Lucasfilm, and 21st Century Fox while strengthening some of the most valuable entertainment franchises in the world. When Iger stepped down as CEO in 2020, Bob Chapek succeeded him. Less than three years later, Disney's board removed Chapek and asked Iger to return.

Iger's return does not prove that Disney failed to develop leadership beyond him. Succession reflects a complicated mixture of strategy, timing, personality, governance, market conditions, and performance. But the episode exposes a question that applies far beyond Disney:

What happens when an organization has learned to depend on capabilities unusually concentrated in one leader?

The same question appears in much smaller settings. A plant manager resolves every scheduling conflict. A founder handles the most important customer relationships. A technical leader becomes the destination for every unusual problem. A department head knows how different parts of the operation fit together when nobody else quite does.

Each intervention may improve today's result while also teaching the organization something. People may learn how to think through the next version of the problem, gain Information or confidence—or simply learn whom to ask.

This creates a distinction that runs throughout this book: *solving and building.*

Solving removes today's problem. Building increases the organization's ability to handle tomorrow's version of it. Strong leadership often requires both. The challenge is that solving is immediately visible, while building capability is slower, less certain, and easier to postpone.

The customer needs an answer. The shipment needs to leave. The decision is holding up the project. The leader knows what to do, so the leader acts.

Sometimes that is exactly right. Leadership Leverage is not an argument for withholding expertise, avoiding difficult decisions, or forcing people to struggle through problems the leader could responsibly resolve. The question is what the intervention leaves behind.

That is where leverage becomes important.

Leverage allows an action in one place to create a larger effect elsewhere. Leadership Leverage works similarly. A conversation can improve hundreds of future decisions. A boundary can allow people to act without waiting for permission. Better Information can eliminate recurring escalation. A principle can guide decisions the leader will never see. Developing one person's judgment can influence people the leader may never meet.

The objective is to increase not only how much work one leader can influence, but how much capability the organization possesses.

This book extends the argument developed across the first three books in the series. *The Improvement Compass* focused on the outcomes organizations seek and the friction that prevents them. *The Decision Lens* examined how people can make better decisions when outcomes remain uncertain. *Decision Architecture* explored how Direction, Information, Authority, Incentives, Feedback, and Adaptation shape the conditions in which organizational decisions are made, carried out, learned from, and improved.

Leadership Leverage turns the lens toward the leader.

Leaders operate inside the systems they are trying to improve. What they notice shapes organizational attention. Their questions influence what people examine. Their reactions determine what Information survives the trip upward. Their interventions affect where Authority actually resides. Their tolerance for disagreement influences whether judgment develops or retreats.

Leadership is therefore never merely an input into the organization. Leadership behavior becomes part of the architecture.

That creates the governing test for this book: *After the leader intervenes, is the organization more capable of handling the next similar situation without the leader?*

Sometimes the answer should be irrelevant. A crisis may require immediate command. A high-Risk decision may appropriately remain concentrated. An inexperienced person may need direct instruction. Leadership Leverage does not demand maximum delegation or minimum involvement.

When the leader's involvement is necessary, what does it create besides the immediate result? Does Information improve? Does judgment develop? Does Authority become clearer? Does Feedback strengthen future decisions? Does the system Adapt so the same intervention becomes less necessary next time?

The best leaders do not make themselves irrelevant. They make their organizations more capable.

Every leadership tenure eventually ends. The leader retires, accepts another role, sells the company, changes responsibilities, or simply is no longer present for a particular decision. Results achieved during the leader's tenure remain important, but another result then becomes visible: *What did the organization learn to do because the leader was there?*

Leadership eventually ends.

Capability does not have to.

INTRODUCTION

The Leadership Paradox

When Helping Today Can Shape Who Decides Tomorrow

The leader knows what to do.

Should the leader do it?

The question can seem unnecessary when the answer is obvious. A customer needs a response. A production problem is delaying an order. Two employees cannot agree. A project has stalled. The leader has seen the problem before and can resolve it quickly.

But leadership decisions operate on more than one timescale. An intervention can improve today's result while affecting where tomorrow's judgment will reside.

Neither intervention nor restraint is automatically better. That is the leadership paradox.

The Cost of Being Helpful

Leadership roles tend to accumulate problems because leaders often know how to solve them. Experience gives them pattern recognition. Position gives them access to Information others may not possess. Organizational range allows them to see consequences across functions, while Authority allows them to resolve disagreements that might otherwise persist.

Organizations should use these advantages. The difficulty begins when the leader's capability changes the behavior of everyone around it. People learn which questions receive quick answers, which decisions attract intervention, which disagreements are likely to be settled from above, and which problems are safer to escalate than resolve. None of this requires a formal policy. Repeated experience is enough.

The leader may believe, *I am helping.*

The organization may learn, *This belongs with the leader.*

Leaders experience their motives; everyone else experiences their behavior. A question asked from curiosity may be heard as a priority. A suggestion may be heard as a decision. Correcting one mistake may imply that similar decisions require approval. Solving a difficult problem because speed matters may teach the organization where difficult problems should travel. Hierarchy amplifies ordinary behavior, and the higher the leader sits, the more consequential that amplification becomes.

Every Intervention Has Two Outcomes

Every intervention has two outcomes: the immediate result and what it leaves behind. Leadership Leverage requires attention to both without turning every decision into a lesson or sacrificing today's performance for tomorrow's capability.

Risk Changes the Answer

Not every decision deserves the same leadership behavior. Risk, reversibility, Information, capability, and consequence affect where Authority should reside.

Leadership Leverage is therefore not a doctrine of maximum decentralization. Sometimes the highest-leverage action is to step back. Sometimes it is to step in. The difficult part is knowing which situation you are in.

The Leader Never Has All the Information

Experience can tempt leaders to believe they see the whole problem. Often the leader sees more of the organization than the person presenting the issue. A senior executive may understand financial constraints the employee does not know. A plant manager may see scheduling consequences invisible from one workstation. A founder may understand the history behind a customer relationship.

But local Information creates an advantage in the other direction. The employee hears hesitation in the customer's voice. The operator notices a subtle change in the machine. The engineer understands a technical dependency that disappears in the executive summary. The supervisor knows which part of a new procedure people are quietly working around.

Leadership therefore creates an unusual asymmetry. The leader may possess broader context while someone else possesses deeper local Information. Neither perspective is sufficient by itself.

The strongest architecture allows those perspectives to meet without assuming that the higher-ranking perspective should replace the lower-ranking one. That requires leaders who can contribute context without taking every decision and people close to the work who can surface Information without surrendering ownership. The objective is not to push decisions downward. It is to improve the conditions under which good decisions can be made.

Being Right Can Become a Problem

Strong leaders are often right. Organizations benefit enormously from leaders who recognize patterns, anticipate consequences, make difficult calls, and act when others hesitate.

A history of being right changes the environment around the leader. People defer earlier, challenge less confidently, and bring problems upward because doing so has worked before. When the leader disagrees, others may assume the leader sees something they do not. Often the leader does.

The greater Risk is not an occasional wrong decision but an environment increasingly unable to discover when the leader is wrong because fewer people are willing or able to challenge the reasoning.

Leadership Leverage therefore requires more than distributing Authority. It requires preserving access to reality. Bad news has to survive the trip upward. Disagreement has to remain possible. Decisions need Feedback. Leaders have to distinguish challenges to an idea from challenges to their legitimacy. Even success must remain open to examination because favorable outcomes can reinforce weak reasoning just as failure can expose it. A leader's judgment creates more value when it participates in a system capable of correcting it.

What Role Should I Play?

Leadership questions are often framed personally: *What should I do?*

Leaders are accountable for outcomes, but the question places them at the center of the solution before the problem has been fully considered. A better question is: *What should happen—and what role should I play in making it happen?*

Sometimes the leader should decide, intervene, instruct, negotiate, or act directly because the situation genuinely requires the leader's capability. In other situations, the organization needs a decision but the leader should ask someone else what they intend to do. A conflict needs resolution, but the leader may help the parties understand the tradeoff rather than choose for them. A recurring problem may call for repairing the Information flow or decision architecture rather than personally resolving another occurrence. A capable employee may need context rather than an answer.

The leader remains responsible for today's result while also influencing the conditions under which tomorrow's result will be produced.

Leadership Leverage

The recurring challenge is what leadership creates. The objective is not less leadership. It is leadership that creates more capability.

PART I

THE SHADOW OF LEADERSHIP

How Leaders Shape Decisions They Never Make

"The history of Western science confirms the aphorism that the great menace to progress is not ignorance but the illusion of knowledge."

— Daniel J. Boorstin

"For it is impossible for any one to begin to learn what he thinks that he already knows."

— Epictetus

Leadership changes an organization long before a leader issues a directive. People learn from what leaders notice, answer, question, reward, override, and allow to stand. Because hierarchy amplifies those behaviors, their organizational meaning can be much larger than leaders intend.

The result is a shadow organization alongside the formal one. The formal organization describes where Authority is supposed to reside; experience teaches people where it actually does.

The shadow develops as leaders become part of the systems they are trying to improve, hierarchy amplifies their behavior, attention directs organizational energy, and expertise creates dependence or conceals weaknesses the organization never learns to correct.

Chapter 1

The Leader Is Inside the System

How Leadership Behavior Changes the Organization Around It

When Jim Whitehurst became chief executive officer of Red Hat in January 2008, he brought an impressive résumé and considerable leadership experience. He had served as chief operating officer of Delta Air Lines and helped guide the airline through bankruptcy and a major operational turnaround. The experience had required coordination across a complex organization operating under enormous financial and operational pressure. Decisions mattered, execution mattered, and leadership could not simply wait for agreement to emerge. Whitehurst understood the value of clarity, disciplined execution, and decisive action.

Red Hat presented a very different environment. The company had grown around open-source software, and many of the principles associated with open source extended into its culture. Employees expected participation, debate, transparency, and the ability to influence ideas regardless of where those ideas originated. Expertise and the quality of an argument could matter as much as organizational position. Authority still existed, but position alone did not guarantee agreement.

Whitehurst initially brought instincts that had served him well elsewhere. A chief executive studies the situation, gathers input, works with the leadership team, determines a direction, and communicates it clearly. Organizations need Direction, and for someone arriving from an airline turnaround, providing clarity could reasonably look like one of the CEO's most important responsibilities.

At Red Hat, Whitehurst discovered that the same leadership behavior could produce a different organizational response. Early in his tenure, he attempted to articulate a strategy for the company and present it to employees. The content was thoughtful and the process recognizable. Senior leadership had done what leadership teams routinely do: assess the environment, determine a direction, and explain the plan.

Employees pushed back, but their objection extended beyond the strategy itself. The process was part of the problem. In a culture built around participation, presenting a largely completed answer deprived people of the opportunity to influence the thinking that produced it. A process intended to create clarity also communicated that important thinking happened at the top and everyone else's role began after the decision had been made.

Whitehurst could reasonably have concluded that Red Hat's culture needed to mature. He was the CEO, strategy was part of his responsibility, and extended participation could be slower and messier than allowing a small leadership team to decide. The organization had hired him partly for his experience and judgment.

Instead, the experience caused him to reconsider how leadership worked in this organization. The behaviors that had helped him lead effectively in one environment did not automatically create the same effects in another. Red Hat's culture was not simply a constraint he needed to manage. It was part of the system in which his own behavior acquired meaning.

Leaders often think of themselves as people who operate the system: setting Direction, allocating resources, establishing priorities, evaluating performance, and intervening when the organization drifts. But the leader is also inside the system.

Every leadership action changes the environment in which everyone else operates. Supplying an answer signals where answers are expected to originate. Intervening in a decision teaches something about the durability of delegated Authority. Responding to disagreement influences whether disagreement appears again. Even a technically sound decision can change future behavior in ways the leader never intended.

Whitehurst increasingly came to describe Red Hat as an open organization in which leadership depended less on issuing directives and more on creating conditions in which people could contribute, debate, and commit. That did not mean every employee voted on every decision or that hierarchy disappeared. Whitehurst remained accountable for the company, and some decisions still belonged to him. What changed was his understanding of the relationship between process and capability. How a decision was reached could influence the organization's future behavior just as surely as what the decision ultimately was.

Direct intervention can restore clarity in one organization and suppress participation in another; extensive consultation can build commitment in one setting and dangerous delay in another. The leader brings experience into the system, but the system helps determine what that experience produces.

Seeing the leader as part of the system changes the diagnosis. Instead of asking only, *Why are people behaving this way?* the leader can also ask, *What have they learned from the way I participate?* Weak initiative can prompt an examination of what happened when employees previously exercised initiative. Decisions repeatedly traveling upward can raise questions about what leadership behavior has taught people to send there. The leader becomes one variable to examine rather than an invisible constant.

Not every organizational weakness is a leadership failure. People vary in capability, and some decisions legitimately require experience they do not yet possess. Straightforward performance problems should not be converted into elaborate structural explanations. Leadership behavior simply belongs inside the diagnosis.

Leaders can often change both the immediate decision and the environment surrounding future decisions. A supervisor can answer today's question while clarifying the principle that should guide the next one. An executive can resolve a conflict while examining why the two groups required executive intervention.

A CEO can make a high-Risk decision while explaining which elements justified centralization and which decisions remain distributed. The intervention still occurs, but the organization receives more than the answer.

Repeated intervention becomes dangerous when it is the only capability being strengthened.

Whitehurst became more effective as he developed greater awareness of how his behavior affected participation and commitment. At times, creating the conditions for a stronger answer to emerge was more valuable than providing one himself. His value did not depend on being the source of every important idea.

Leaders therefore need to include their own behavior in the diagnosis. After dealing with the immediate consequence, ask: *What did my behavior contribute to the conditions surrounding this decision?* Sometimes the answer will be nothing. Other times, leadership may be reinforcing the very behavior it is trying to correct.

Breaking the loop begins with seeing it. Before leaders can distribute judgment, coach decisions, establish meaningful boundaries, or make themselves less necessary, they must recognize that they are not standing outside the organization adjusting its machinery. They are one of the forces moving it.

Every leadership decision therefore leaves behind more than an outcome. It also leaves a lesson about how decisions are expected to be made.