

Profiles in Leadership

The Gathering of Leaders Annual Conference
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Good morning and thank you for inviting me to share some thoughts with you today.

When I was approached about this opportunity, I of course started to gather information about this initiative – The Gathering of Leaders.

And the more I learned, the more impressed I became.

Certainly – given my journey – I know first-hand how important social service organizations are and I commend all of you for the passion you bring to the mission of your organizations; and for your dedication to ensuring that they continue to grow and evolve, and become even more effective and even more relevant to the changing – but still pressing – needs of our society.

Our theme today is “Profiles in Leadership.”

What I want to do is share a few thoughts about the qualities and attributes I believe are important to effective leadership – and while doing so, talk a little bit about the importance of culture in an organization.

Secrets of Success

As I’ve progressed through life and built a career, I’ve encountered so many effective leaders. And as a result of that, I’ve come to understand that there are many qualities and attributes that contribute to successful leadership.

The key is discovering the right combination for yourself. And for me there are four leadership attributes – that in combination – have made all the difference:

- One... tremendous curiosity
- Two... the ability to dream big dreams
- Three... the development of meaningful expertise... or know how... and
- Four... a commitment to working in service of others.

Curiosity

Let's start with curiosity.

As many of you know, I grew up in Los Angeles – in a section of the city called Watts – and that's where I first began to understand the value of curiosity.

Watts was then what it is now – a classic big city, inner-city neighborhood. An African American and Latino community with

- Sub-standard housing
- Lower municipal service levels than it deserved
- Relatively high crime... teen pregnancy... and drop-out rates
- And schools where teachers had to spend too much time managing student behavior, and had too little time to teach students about themselves or their world.

It's a picture that I know many in this room are all too familiar with.

And what completes the picture is how isolated the community was – both literally and emotionally. Because standing between Watts and the cultural and business center of Los Angeles, were a host of other communities that looked – and felt – a lot like Watts.

So all of that is to say that it was pretty easy for Watts to be your only context, your only framework for trying to make sense of the world. But that's where curiosity came in.

My parents, some extraordinary teachers, and too many youth organizations and youth volunteers to count, encouraged me to be curious about the world beyond south L-A.

And while I was able to satisfy that curiosity in a number of ways, for me the most important window out was the Watts branch of the public library.

By the third grade, I was checking out a dozen books every two weeks. And the more I read, the more curious I became. Until, by the ninth grade, I'd read almost every novel and biography they had.

I roamed the Great Plains with Crazy Horse and Sitting Bull... and ran the streets of Harlem with Claude Brown.

And in doing so, I was able to put Watts and our presence in Watts in context. And, as a result of that, I was able to be not just a citizen of Watts but also a citizen of the world.

The true value of this kind of indefatigable curiosity became clear to me very early on. I recall one incident in particular that occurred during my ninth grade year.

It started – as do so many memorable moments in life – with a song. A hit song called “The World is a Ghetto” by the R&B group “War.”

It seemed like everyone in our school was humming or singing that song.

I remember the day when our math teacher, Mr. Norris, finally had enough.

He raged at our class, telling us that the world was not a ghetto and, that although our community might be a ghetto, we were all part of a much larger world – a world that was rich with possibilities and opportunity.

And I remember how some of us got it, we understood Mr. Norris completely because curiosity had led us to explore the world beyond Watts. But others didn't get it. They didn't get it because they had not developed the kind of curiosity that let them put our neighborhood in context.

Those of us who did get it were the ones who generally made better decisions. We took more control of our own lives and were better able to avoid the many life-limiting traps you find everywhere, but that you certainly find disproportionately in communities like Watts.

Now, not only did I see the value of curiosity while growing up in Watts, I've also seen its value in the meeting rooms and board rooms I've been in ever since.

I saw this kind of curiosity – what I think of as leadership-level curiosity – for example in the young partner that I worked with most closely at the New York City law firm where I started at out of law school – a lawyer by the name of Peter Coll.

Years later Peter went on to become the managing partner of that firm, but 15 years before he got to that position he was driven by curiosity – by a desire to know all he could about our firm and about each of our clients.

Peter wanted to know:

- What is the team or department trying to accomplish?
- How does my assignment or job contribute to that?
- What's the mission of the client company as a whole...what are its goals...objectives...and strategies?
- How do these compare to those of the client's direct competitors...what explains any differences between theirs and ours?

Peter Coll had tremendous curiosity, and with his example I've taken the time to ask myself these kinds of questions right from the start of my career.

I have also seen the value of leadership-level curiosity at Darden.

My predecessor, Joe Lee, was all about curiosity – and not making assumptions – which is the opposite of curiosity.

Those who aren't curious assume, and Joe simply did not make assumptions – especially when it came to people.

In fact, Joe was fascinated with people. And so when he encountered someone, he wanted to know:

- What motivates him or her?
- How does this person reach decisions?
- What makes him or her similar to – or different from – other people I know?
- How does he or she interact with others?

I know that Joe's curiosity is what led Darden to place such an emphasis on diversity. And I'm convinced that Joe's and Darden's leadership in this area is why I stand before you as Darden's CEO.

At Darden, we see diversity and inclusiveness as a business imperative.

It's an imperative because in order to build our business, we have to understand and respond effectively to the diverse expectations of our guests, and the diverse circumstances and expectations of our employees.

But diversity and inclusiveness are also among our core values. And they're core values because we're convinced that if we understand and embrace our cultural and other differences – and truly learn from each other – we'll build something even more important than sales and earnings. We'll build our individual and collective character.

And success – when it comes to diversity and inclusiveness – is not possible without a healthy dose of curiosity.

So with Mr. Norris, Peter Coll, Joe and all the others as proof points, I would submit that to be an effective leader you have to be curious in a very expansive way about the social and other dynamics in the world around you. And you have to be curious about people.

With that, you'll have a solid understanding of who you're dealing with and the environment you're operating in.

In other words you'll have a sufficient sense of context, which is what it takes to make wise, informed decisions.

If you aren't able to put things in proper context, it's hard to take any degree of control of your environment. You risk being buffeted about by it – being one of those people that things just seem to happen to.

Dream Big Dreams

With leadership-level curiosity – and the ability to put things in context – you're able to dream big dreams; which for me is the second defining attribute of an effective leader.

We all know people, in our own organizations and in others, who are extremely valuable to the organization's success.

They're smart, talented and curious, and because of that they have a wide range of knowledge and have a good grasp of their environments.

And on top of it all, they're willing to work hard. Yet they are not considered strong leaders.

Instead, they're referred to as "strong individual contributors."

I think the difference between strong individual contributors and effective leaders is that the people who are able to assume leadership use their knowledge, drive and talent to fuel big dreams.

Unlike individual contributors, leaders are not content with simply accomplishing the task of the job immediately in front of them.

That's certainly important, and the best leaders get the job done.

But effective leaders do more. They paint for people a new and better reality. And in doing so, they sometimes motivate us to do a better job with that immediate task. But more importantly, they sometimes inspire us to try new things or to try to get the job done in a different way.

The founders of Darden Restaurants – Bill Darden and Joe Lee – had big dreams. They envisioned a different restaurant industry. And, as a result, they ended up creating an entirely new segment – casual dining – that sits between quick service and fine dining.

Today, casual dining is a \$70 billion dollar industry and it accounts for nearly a quarter of the restaurant industry's annual sales.

And today Darden – their vehicle for achieving their big dream – is a meaningful company.

We're the 29th largest private employer in the country and we serve more than 400 million meals a year in more than 1,700 restaurants across the country.

With our founder's example, we're very mindful of the need to continue to dream big dreams. So we don't talk to our people a whole lot about our pioneering past.

Instead, we talk to them about creating a great company, and about how in order to be a great company, we have to be a company that truly matters.

In defining for them what it means to matter, we talk about growth but we relate that growth to our core purpose. And, at Darden, that purpose is to make a positive difference in the lives of others.

Internally, we refer to this as our desire to nourish and delight everyone we serve.

As a restaurant company, we want to nourish people in the literal sense by providing guests with high quality food that sustains and contributing to the material well-being of our employees with appropriate wages and benefits.

But we want to do a lot more than that.

We want to nourish the spirits of our guests by helping them reenergize or connect with family and friends over a great meal.

And we want to contribute to our employees' social well-being by providing them with a supportive culture – one where they can develop great relationships with one another as they grow.

What I've discovered is that for big dreams to matter they have to be grounded in the right culture.

At Darden, in addition to our core purpose, that “right culture” includes a few other important elements.

Let me touch very briefly on what nourishing and delighting, or making a difference for our employees, means.

From an employee perspective, one of the most important things is that we place no pre-conceived limits on what any employee can accomplish.

The restaurant industry is the industry of opportunity for millions of Americans, with half of all adults having worked in the industry at some point in their lives.

So we think it's smart to assume that everyone who walks in our doors can go all the way to the top, provided they're willing to work hard and we provide them with the right tools and work environment.

And given the hundreds of examples of people who began as hourly employees at Darden and have risen through the ranks to various levels of management, we've got plenty of evidence to support our point of view.

We have people like Anthony Gatling and Dave Pickens.

Anthony joined Red Lobster 11 years ago as a server without a college degree. Today he is a Senior Director of Operations leading 32 Red Lobster restaurants while completing his doctorate in organizational behavior.

Dave began his career as a line cook at Red Lobster in 1973 also without a college degree, and today he is the President of Olive Garden – a nearly \$3 billion business.

We also have people like the more than 500 general managers in our system – roughly one-third of our total – who rose from the hourly ranks. Leaders who run businesses that register between \$3 million and \$10 million in sales, coach and develop over 100 people, earn on average between \$80,000 and \$100,000 in total cash compensation a year, and come from all walks of life all over the United States and Canada.

Placing no limits on individual possibilities is part of our DNA.

It's why we work with organizations like College Summit to provide opportunities for young people to get access to post-secondary education who might not otherwise get it. It's why we support other organizations as well, organizations like the UNCF.

It's also why we're committed to celebrating – and realizing the full benefit of – our diversity at Darden.

We're convinced that we learn and grow together as people and as a business by bringing meaningful differences to the table, and then understanding and embracing those differences – whether the differences are a product of our personality, family history, race, ethnicity, gender, sexual orientation, social background, personal style or business discipline.

For us, nothing is more important than understanding why each of us is the way we are, and creating relationships of trust based on that mutual curiosity and respect.

To support achievement of that goal... we do a number of things.

We provide intense diversity learning experiences for all our leaders. For example, experiences that range from a full week for officers, to two-and-half days for each of our more than 1,700 restaurant general managers.

In these sessions, we explore the assumptions we all bring to the table and learn to talk constructively about our differences so we can leverage them to our professional and personal benefit.

We translate most of our standard forms and front-line training materials into Spanish and other languages and offer Spanish-language editions of employee newsletters.

And we encourage and resource five employee networks – Our African American... Hispanic... Asian American... Women's... and Family networks... each of which is open to anyone. And each of which is required to develop a 3-year business plan that ties to our corporate objectives.

What does all of this mean? It means that, for our employees, the big dream of creating a great company is not simply about sales and earnings growth. But it's about sales and earnings growth as a way to make a positive difference in the lives of millions more guests, tens of thousands more employees and hundreds more communities.

Now if you have leadership-level curiosity, so much so that you can dream big dreams that resonate with and inspire people – and support them with a nourishing and motivating culture – what else do you need in order to be an effective leader?

Develop Meaningful Expertise

Well I believe you also need to be able to help do the work – the heavy lifting of executing.

If you have the curiosity to develop a broad range of knowledge and you're good at inspiring others with big dreams, you're well prepared to play a key role in strategy development.

But your leadership effectiveness is going to be limited if you aren't able to be equally valuable in strategy execution – doing the work to make the strategies real.

And this is where it helps to have expertise in an area that's meaningful. You have to know enough about some important area to help get the work done.

And that's where taking advantage of opportunities like this conference can help. It's essential to continuously learn and hone your skill set so that you have the meaningful expertise to be impactful in your organization.

There are two additional points I'd like to make here, although I know I risk preaching to the choir.

The first is that your area of expertise must be meaningful to you as a person. That you have to do what you love, what you have a passion for.

Because without passion for something, you'll never be the best at it. A true expert.

You can have solid functional knowledge and skills, but without passion for what you're engaged in you won't ever be the kind of difference maker that defines real leaders – leaders who are “ahead of the curve.”

I knew – for example – after just three years as a lawyer that I simply did not love the law. I was reasonably good at it, but I didn't love it.

And I saw just how good people who loved the law were. People like Peter Coll, the partner I mentioned earlier. And I knew I didn't have the passion to be as good as those people.

So I spent one final year making the transition from financial law – which was not my passion – to finance, which was.

My second point here is that I also believe it's difficult to put in the effort to build expertise unless you're in a place that you like. It's important to be in an organization you can embrace.

And, whether you're dedicated to a company because of its culture, its product or mission, its practices, its people, or all of the above – you also need to believe that if you give the organization reason to it will embrace you.

To turn your knowledge and expertise into success – to “get there” – and be able to continually sharpen your skills – to “stay there” – I believe it's important to work in a field you're passionate about. And for an organization that will embrace and support you in the pursuit of your passion.

Work in Service of Others

Finally, as critical as it is to have leadership-level curiosity – to be able to dream big dreams – and to have meaningful expertise that helps get the work done; I believe the remaining “ingredient,” if you will, for leadership effectiveness is the most fundamental.

And that’s having the right heart, the right attitude.

Jim Collins, the management guru and author, has some insight on this subject.

He characterizes the epitome of effective leadership as “level five.”

“Level five” leaders, Collins says, “channel their ego needs away from themselves and into the larger goal of building a great company.”

“It’s not that level five leaders have no ego or self-interest,” he says. “Indeed, they are incredibly ambitious but their ambition is first and foremost for the institution, not themselves.”

My way of putting it is slightly different, but with a similar meaning.

I call it working in service of others.

I believe this is the fourth attribute of effective and successful leadership.

When the people around you can see you’re working in service of others – for something bigger than yourself – that’s the final piece that creates real followership.

That’s what inspires people to really buy into the dream.

Working in service of others is at the heart of Darden's culture. It's what nourishing and delighting everyone we serve is all about. And I believe it's the single most important reason we've enjoyed more than 40 years of success.

Working in service of others is also the key to any success I've enjoyed personally.

People have been there to help me every step of the way – people in community organizations, in academia and in the business world.

They've been there because of their desire to serve and because I think they have seen that same desire in me.

So, there you have it. That's my view on what it takes to be a successful leader.

I believe you need to combine intense curiosity... with big dreams... meaningful expertise... and a commitment to working in the service of others.

I've seen the power these leadership attributes and cultural elements have had in driving Darden's success, as well as my own.

Thank you for your kind attention. And now I'd be happy to take your questions.