

# The Elephant in the Room: How Relationships Make or Break the Success of Leaders and their Organizations

by Diana McLain Smith, Co-founder Action Design and Mobius Senior Expert

## It's a Matter of Perspective

So prevalent are relationship troubles that most of us merely accept them as the way things are. A *Time* magazine article in 2002 went so far as to say: “Until recently, being

driven mad by others and driving others mad was known as life.” The article, entitled “I’m OK. You’re OK. We’re not OK,” questioned whether it was wise to include “relational disorders” in the newest edition of

a diagnostic manual. What would happen, the columnist Walter Kirn asked, to notions of personal responsibility? How could anyone ever be held accountable for anything? After all, you can fire or sue a person, but not a relationship. Besides, Kirn concluded, relationship troubles are simply a fact of life. You’re better off keeping your eye on individuals where responsibility can be clearly assigned and appropriately taken.

I doubt many people would disagree. There’s already enough blame in organizations without adding another excuse: “It wasn’t me. My relationship made me do it.” But taking a relational perspective doesn’t pre-empt people from taking responsibility. Paradoxically, as I’ll show, just the opposite happens. When people think in relational terms, *they are more willing and able to take responsibility for their part in any problems or difficulties.*

To illustrate, I’ll introduce two perspectives that leaders might take to any differences, challenges, or troubles they face. The more common is what I call the **individual perspective**, based on the assumptions that there is one right answer, people either get it or don’t get it, and when they don’t, their dispositions are largely to blame. When leaders hold this perspective, their relationships will grow weaker rather than stronger over time.

Less common is what I call the **relational perspective**, based on the assumptions that different people will see different things, that solid common ground can only be found after exploring basic differences, and that the strength of a relationship

*If civilization is to survive, we must cultivate the science of human relationships.*

—Franklin Roosevelt, the day before he died.

History is awash with accounts of failed relationships among leaders of every stripe: Steve Jobs and John Sculley of Apple; Larry Summers and the Harvard faculty; Carly Fiorina and the Hewlett-Packard board; President Obama and General McChrystal. Yet history also tells us that even under extraordinary

adversity, some relationships rise to the occasion and usher in phenomenal success: Franklin Roosevelt and Winston Churchill during World War II; Michael Eisner and Frank Wells at Disney; Warren Buffett and Charlie Munger.

All the way back to Achilles and Agamemnon on the beaches of Troy, relationships have had the power either to create or to destroy enormous amounts of human, social, and economic capital.

Yet never before have we faced a time when relationships have mattered more. Leaders today must be able to make decisions and take action well and quickly with others with whom they share very little—perhaps not even a time zone. No longer can we work within our own silos with little regard for those at work in theirs. No longer can we take the time to send conflicts up the hierarchy instead of settling them ourselves. No longer can we count on like-minded colleagues of the same race, class, culture, or gender to think and act like we do. No longer can we count on long time horizons or sloppy competition to make up for the inefficiencies poor relationships create.

We face a crisis today not only of leadership but of relationship.

Still, despite their increasing importance, no one has yet asked, let alone answered, three fundamental questions: *What exactly is a relationship such that it can catapult or torpedo a leader’s success? How do relationships form, work, develop, and with the right effort, change? Why do some relationships create exceptional successes and others produce stunning failures?*

*The Elephant in the Room* answers these questions and gives leaders the tools they need to understand, strengthen, and transform relationships so they can usher in success.

will determine how well and how quickly people can put their differences to work. Leaders who take this perspective use the heat of the moment to forge stronger relationships. Let's take a look at each perspective, then consider both in light of some recent research on relationships.

### The Individual Perspective

Hard to believe, isn't it? One of the most successful and innovative companies ever in America, Apple Computer, almost faded into oblivion 20 years ago, and all because of the failed relationship between Steve Jobs and John Sculley.

"I'm actually convinced that if Steve hadn't come back when he did," John Sculley said in a 2010 interview, "Apple would have been history. It would have been gone, absolutely gone." What Sculley doesn't say is this: Had the two not had a falling out, and had John Sculley not gotten Jobs fired in 1985, Apple might not have stagnated for 12 years, and Jobs might not have had to rescue it from oblivion. But the two did have a falling out, Sculley did get Jobs fired, Apple did languish, and Jobs did have to return to rescue Apple and turn it into the firm we all know today. So how did it all happen?

All too easily, as it turns out. Initially, in the first few months after Jobs recruited Sculley away from Pepsi in

1983, everyone considered them the perfect match: Sculley, a seasoned executive savvy about marketing; Jobs, the young charismatic visionary. During these heady times, the personal computer market was bursting, Apple sales were skyrocketing, the two talked for hours about how Apple would change the world, and the cover of *BusinessWeek* crowned them "Apple's Dynamic Duo."

It was hard to imagine what could go wrong. Yet as soon as the going got tough—competitive pressures mounted and Apple's sales dropped—the two men began to argue over what was wrong and what needed fixing. Soon their long meandering chats about how to change the world gave way to heated exchanges about how to change each other. Jobs blamed Sculley for not solving Apple's distribution problems fast enough; Sculley blamed Jobs for getting Macintosh Office to market late. Before long, each grew convinced that the other was the sole source of Apple's woes, and each sought to oust the other. In the end, Sculley prevailed, the board fired Jobs, and the company languished for 12 years.

Most people chalk up what happened to personality differences, or to power struggles, or to insurmountable competitive pressures weighing down too heavily on the two men. But if that's true, why are

some partnerships able to make the most of adversity and difference?

No, the fundamental cause of their troubles—and their inability to resolve them—lies elsewhere: in the assumptions they brought to the pressures and differences they faced (see Table 1 below). These assumptions, which make up what I call the *individual perspective*, systematically turn substantive differences into irreconcilable relationship conflicts that lead even so-called perfect matches to self-destruct under pressure.

When Jobs and Sculley first differed over what was wrong and needed fixing, they each assumed that he alone was right, that this was so obvious any rational person would agree, and so the only reason the other disagreed was because he was unreasonable and just didn't "get" it. These assumptions made it impossible for them to entertain the possibility that they might both be right—that is, that Sculley wasn't solving Apple's distribution problem fast enough, *and* that Jobs wasn't getting Macintosh Office to the market fast enough. Riveted as they were on the other and blind to their own role, neither could convince the other of anything, and they began accusing each other of behaving in ways that were making matters worse: Jobs accusing Sculley of failing to provide enough leadership; Sculley accusing Jobs of meddling in things that were none of his business. Each assumed the other was at fault; each set out to get rid of the other.

What happened to Jobs and Sculley—and to Apple as a result—may be dramatic, but it is far from rare. Only in the interactions of the most mature and savvy leaders do you see a different perspective based on a different set of assumptions. These assumptions, which comprise what

Table 1: The Individual Perspective	
The Issues (The Substance)	Core Assumptions
	There is only one right answer or view.
	Any rational person can see that my view is right and yours is wrong.
The People (The Relationship)	Your view is unreasonable; you just don't get it.
	Since you don't get it, you must be either mad (irrational) or bad (selfish).
	You alone are responsible.
	You must change for our relationship to work.
	Until you change, it isn't worth investing in our relationship.

I call the *relational perspective*, focus on mutual responsibility and stress the importance of relationships. The next section shows what these assumptions look like in action.

## The Relational Perspective

At the beginning of World War II, when Winston Churchill and Franklin Roosevelt first came together to form an alliance against Hitler, they were a study in contrasts: Roosevelt, secretive; Churchill, transparent. Roosevelt, calculated and at times manipulative; Churchill, expressive and at times impulsive. Roosevelt, intent on keeping the United States out of the war; Churchill, equally intent on bringing the United States into the war. Roosevelt, a constant critic of colonialism; Churchill, a steadfast defender of the British colonial empire. Roosevelt, convinced that a leader ought to keep his ear to the ground of popular opinion; Churchill, equally convinced that a leader ought to get out in front and shape popular opinion. The two couldn't have been more different in personality, interests, or beliefs, and their first interaction—years before—had gone badly. Yet over the course of the war, as Jon Meacham recounts in *Franklin and Winston*, they were able to forge an alliance based on a common purpose and what Meacham calls an “epic friendship.”

Of the many things they did to build that friendship, one thing Meacham mentions stands out: “They always kept the mission—and their relationship—in mind, understanding that statecraft is an intrinsically imperfect and often frustrating endeavor.”

When it came to their mission, Roosevelt and Churchill often disagreed. But instead of discounting each other's views or assuming the other just didn't get it, they engaged in hours of debate, seeking to persuade

**Table 2: The Relational Perspective**

	Core Assumptions
<b>The Substance (The Issues)</b>	Each of us sees things the other misses.
	Reasonable people can reasonably disagree.
	Complex tasks are inherently frustrating, so direct your frustration at the task, not the people.
<b>The People (The Relationship)</b>	Relationships upon which success depends are a strategic asset in need of continual investment.
	We are both responsible for ensuring the strength of our relationship.
	Solid common ground can be found only after exploring basic differences.
	We're doing the best we can under the circumstances and need each other's help to do better.

and to understand. If their interests or beliefs clashed, they didn't denigrate the other's interests or beliefs; they took them into account and sought to address them whenever they could. And if either of them did things to make matters worse, more often than not they looked to the other's circumstances, not his character, to understand why, and they repeatedly offered a helping hand.

When it came to their relationship, neither Roosevelt nor Churchill expected they would always get along—nor did they. But because they understood that their relationship would have a decisive impact on the success or failure of their mission, they gave it the same strategic attention they gave every other aspect of the war. All told, they met nine times between 1941 and 1945 in a range of different locales from Canada to Casablanca to Iran. In between, they exchanged countless wires, letters, and phone calls on everything from their families' well-being to their flagging spirits to matters of war.

Still, as the war neared its end, Roosevelt and Churchill disagreed so vehemently that their relationship grew contentious. In a steady stream of cable traffic, the two fought over how best to end the war and structure the

peace. In their last fight, this one over whether they should try to beat the Soviets to Berlin, the two failed to reach agreement. In the end, Churchill conceded. Afterwards he wrote Roosevelt a note to reassure him that there were no hard feelings: “I regard the matter as closed,” he wrote, “and to prove my sincerity I will use one of my very few Latin quotations, ‘Amantium irae amoris integratio est.’” Translation: “Lovers' quarrels always go with true love.”

I would argue that the strength of their relationship was a product of the way they saw and handled their most fundamental differences. Throughout, the two leaders illustrate a perspective that's built on a set of assumptions many leaders espouse but few enact (see Table 2 below).

People who take this perspective, which I call the relational perspective, anticipate disagreements, expect these disagreements to cause frustration, and believe that any frustrations they face will best be handled by building relationships strong enough to handle them well.

## Reality Check: The Power of Relationships

Whether aware of it or not, most of us take an individual perspective to the substantive differences we face

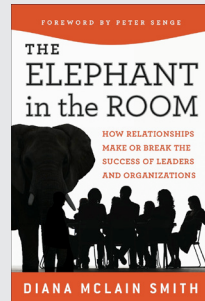


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In addition to her consulting work, Diana has authored three books and dozens of articles and chapters on organizational change and learning, leadership, and conflict. Her most recent book, *The Elephant in the Room*, shows how relationships among senior leaders make or break the success. Other writings include: “Too Hot to Handle? How to Manage Relationship Conflict” with Amy Edmondson in *California Management Review* and “Treat Relationships Like an Asset or They’ll Become a Liability,” in *Leader’s Edge*.

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and the relationship troubles they cause. This leads us to assume that views or behaviors we don’t like are caused by people’s dispositions alone and to assume that those dispositions are unchangeable.

We’re wrong, it turns out, on both counts.

For decades now, one psychology experiment after another has shown that situations have far greater sway over people’s views and behavior than we think. Indeed, all of us are exquisitely sensitive to experience and to circumstance, and our views and behavior at any moment in time is—to a much larger extent than we assume—shaped by the circumstances in that moment. Yet the belief that people’s views or behavior are deter-

mined by their dispositions alone is so pervasive that psychologists call it the *fundamental attribution error*.

Even more counterintuitive, to the extent to which our dispositions *do* inform behavior, those dispositions are far more changeable than we think. In fact, recent research suggests that our relationships have the power to amplify or modify even genetically based dispositions. Take, for example, a 12-year study of 720 adolescents led by family psychiatrist David Reiss. It found that relationships within a family affect whether and how strongly genes underlying behavior get expressed.

“Many genetic factors, powerful as they may be,” writes Reiss in *The Relationship Code*, “exert their influence only through the good offices of

the family.” Some parental responses to genetic proclivities—say, toward shyness or antisocial behavior—exaggerate traits, while others mute them.

“Our proposal,” says Reiss, “is not simply that the environment has a general and non-specific facilitative or preparatory role in the behavioral expression of genetic influences, but rather that specific family processes may have distinctive and necessary roles in the actual mechanisms of genetic expression.” In other words, to have any effect, genes must be turned on, and relationships are the finger that flips the switch.

To illustrate how, writer Sharon Begley in a March 2000 *Newsweek* article called “The Nature of Nurturing” asks us to consider how rats behave. (*Actual* rats, that is—not the people with whom we wish we didn’t work.) Citing McGill University professor Michael Meaney’s study, Begley explains how the interaction between genes and environment accounts for much of the variance among the responses of baby rats to stress:

As soon as their wriggly little pups are born, rat mothers lick and groom them, but like mothers of other species they vary in how obsessive they are about getting every one of their offspring’s hairs in place. Pups whose mothers treat them like living lollipops grow up different from pups of less devoted mothers: particular genes in the pups’ brains are turned on “high.” These brain genes play a pivotal role in behavior. With the genes turned up full blast, the rats churn out fewer stress hormones and, as adults, are more resistant to stress. ... These rats don’t startle as easily, are less fearful in the face of novel situations and braver when they have to explore an open field.

Begley’s article also cites behavioral geneticist Kenneth Kendler of